

**San Antonio for Growth  
on the Eastside, Inc.**

**Financial Statements  
and Supplementary Information**

**December 31, 2024 and 2023**



# San Antonio for Growth on the Eastside, Inc.

## Table of Contents

---

	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Financial Statements</b>	
Statements of Financial Position	3
Statement of Activities (with Comparative Totals)	4
Statement of Functional Expenses (with Comparative Totals)	5
Statements of Cash Flows	6
Notes to Financial Statements	7
<b>Supplementary Information</b>	
Schedule of Receipts and Disbursements by Budgeting Cost Category - City of San Antonio Incentive Funds	19

## **Independent Auditor's Report**

To the Board of Directors of  
San Antonio for Growth on the Eastside, Inc.

### ***Opinion***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAGE 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAGE 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 opinion.

### ***Emphasis of Matter***

As described in **Note B**, the financial statements for the year ended December 31, 2023 have been restated with an increase to net assets as of December 31, 2023.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 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, including omissions, 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 financial statements.

## **Independent Auditor's Report (Continued)**

---

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 SAGE'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SAGE'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 Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Receipts and Disbursements by Budgeting Cost Category – City of San Antonio Incentive Funds is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Report on Summarized Comparative Information***

We have previously audited SAGE's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 13, 2025. 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 financial statements from which it has been derived.



Schraver, Carmona & Company, PLLC

San Antonio, Texas

July 14, 2025

## **Financial Statements**

## San Antonio for Growth on the Eastside, Inc.

### Statements of Financial Position December 31, 2024 and 2023 (restated)

	<u>2024</u>	<u>2023</u> (restated)
<b>Assets</b>		
<b><i>Current Assets:</i></b>		
Cash and Cash Equivalents	\$ 194,742	\$ 55,077
Cash - Restricted	-	45,459
Accounts Receivable	22,332	68,689
Grants Receivable	60,938	30,237
Prepaid Expenses and Other Assets	<u>1,811</u>	<u>6,898</u>
<b><i>Total Current Assets</i></b>	<b>279,823</b>	206,360
Equity Investments	338,998	338,998
Property and Equipment, Net of Accumulated Depreciation	5,799	7,206
Right-of-Use Asset, Operating Lease	<u>49,928</u>	<u>72,296</u>
<b>Total Assets</b>	<b>\$ <u>674,548</u></b>	<b>\$ <u>624,860</u></b>
<b>Liabilities and Net Assets</b>		
<b><i>Current Liabilities:</i></b>		
Accounts Payable	\$ 15,824	\$ 7,408
Accrued Liabilities	6,793	3,420
Deferred Revenue	-	45,459
Operating Lease Liability, Current Portion	<u>24,250</u>	<u>13,352</u>
<b><i>Total Current Liabilities</i></b>	<b>46,867</b>	69,639
Operating Lease Liability, Net of Current Portion	<u>45,891</u>	<u>70,106</u>
<b><i>Total Liabilities</i></b>	<b><u>92,758</u></b>	<b><u>139,745</u></b>
<b><i>Net Assets:</i></b>		
Without Donor Restrictions	157,792	146,117
With Donor Restrictions	<u>423,998</u>	<u>338,998</u>
<b><i>Total Net Assets</i></b>	<b><u>581,790</u></b>	<b><u>485,115</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>674,548</u></b>	<b>\$ <u>624,860</u></b>

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

## San Antonio for Growth on the Eastside, Inc.

### Statement of Activities

Year Ended December 31, 2024

[with Comparative Totals for the Year Ended December 31, 2023 (restated)]

	2024			2023 Totals (restated)
	Without Donor Restrictions	With Donor Restrictions	Totals	
<b>Support and Revenues</b>				
<i>Support:</i>				
Government Grants and Contracts	\$ 533,210	\$ -	\$ 533,210	\$ 1,105,737
Contributions and Other Grants	215,843	85,000	300,843	127,644
Contributed Nonfinancial Assets	49,010	-	49,010	111,801
<i>Revenues:</i>				
Investment Income	235	-	235	-
<b>Total Support and Revenues</b>	<b>798,298</b>	<b>85,000</b>	<b>883,298</b>	<b>1,345,182</b>
<b>Expenses</b>				
<i>Program Services:</i>				
Financial Assistance	454,472	-	454,472	836,879
<i>Support Services:</i>				
Management and General	322,980	-	322,980	406,189
Fundraising	9,171	-	9,171	52,277
<b>Total Expenses</b>	<b>786,623</b>	<b>-</b>	<b>786,623</b>	<b>1,295,345</b>
<b>Change in Net Assets</b>	<b>11,675</b>	<b>85,000</b>	<b>96,675</b>	<b>49,837</b>
<b>Net Assets at Beginning of Year, Restated</b>	<b>146,117</b>	<b>338,998</b>	<b>485,115</b>	<b>435,278</b>
<b>Net Assets at End of Year</b>	<b>\$ 157,792</b>	<b>\$ 423,998</b>	<b>\$ 581,790</b>	<b>\$ 485,115</b>

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

**San Antonio for Growth on the Eastside, Inc.**

Statement of Functional Expenses

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

	<b>2024</b>				2023 Totals (restated)
	Program Services	Support Services Management and General	Fundraising	Totals	
Salaries and Wages	\$ 207,205	\$ 188,148	\$ 4,110	\$ 399,463	\$ 636,389
Payroll Taxes	16,409	13,091	323	29,823	46,479
Employee Benefits	8,892	9,542	146	18,580	27,545
Total Salaries and Related Expenses	<u>232,506</u>	<u>210,781</u>	<u>4,579</u>	<u>447,866</u>	<u>710,413</u>
<b>Other Operating Expenses:</b>					
Grants and Other Assistance	122,338	900		123,238	157,277
Rent and Building Occupancy	35,642	29,702	660	66,004	75,112
Professional Fees	31,468	26,695	511	58,674	206,287
Staff Training and Development	1,496	25,102	-	26,598	-
Office Expense	10,359	11,267	468	22,094	44,792
Information Technology	8,984	8,890	1,468	19,342	37,953
Conferences, Conventions and Meetings	2,311	3,268	1,400	6,979	10,463
Insurance	2,409	2,007	45	4,461	3,248
Other Program Expenses	3,750	-	-	3,750	7,966
Travel	162	1,692	-	1,854	4,114
Membership	900	886	-	1,786	1,250
Forefeited Deposits	-	-	-	-	22,600
Printing and Promotion	-	-	-	-	10,000
Total Other Operating Expenses	<u>219,819</u>	<u>110,409</u>	<u>4,552</u>	<u>334,780</u>	<u>581,062</u>
Total Expenses Before Depreciation	452,325	321,190	9,131	782,646	1,291,475
Depreciation	<u>2,147</u>	<u>1,790</u>	<u>40</u>	<u>3,977</u>	<u>3,870</u>
<b>Total Expenses</b>	<u>\$ 454,472</u>	<u>\$ 322,980</u>	<u>\$ 9,171</u>	<u>\$ 786,623</u>	<u>\$ 1,295,345</u>

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

## San Antonio for Growth on the Eastside, Inc.

### Statements of Cash Flows Years Ended December 31, 2024 and 2023 (restated)

	<u>2024</u>	<u>2023</u> (restated)
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 96,675	\$ 49,837
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,977	3,870
(Increase) Decrease in:		
Accounts Receivable	46,357	(46,189)
Grants Receivable	(30,701)	(1,737)
Prepaid Expenses and Other Assets	5,087	20,386
Right-of-Use Asset - Operating Lease	22,368	(72,296)
Increase (Decrease) in:		
Accounts Payable	8,416	(48,120)
Accrued Liabilities	3,373	1,609
Deferred Revenue	(45,459)	(80,621)
Operating Lease Liability	(13,317)	83,458
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>96,776</u>	<u>(89,803)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of Property and Equipment	(2,570)	-
<b>Net Cash Used by Investing Activities</b>	<u>(2,570)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>94,206</b>	<b>(89,803)</b>
Cash and Cash Equivalents, Beginning of Year	<u>100,536</u>	<u>190,339</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ <u>194,742</u></b>	<b>\$ <u>100,536</u></b>
<b>Reconciliation of Cash Reported Within the Statements of Financial Position to the Statements of Cash Flows:</b>		
Cash and Cash Equivalents	\$ 194,742	\$ 55,077
Cash - Restricted	<u>-</u>	<u>45,459</u>
	<b>\$ <u>194,742</u></b>	<b>\$ <u>100,536</u></b>

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

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note A: Nature of Organization

San Antonio for Growth on the Eastside, Inc. (SAGE) is a 501(c)(3) economic development nonprofit corporation serving the Eastside of San Antonio for over 25 years. SAGE promotes the economic development and cultural vitality of the Eastside of San Antonio.

SAGE's three priorities are (1) support small businesses; (2) preserve culture and heritage; and (3) community development without displacement.

SAGE is funded primarily from corporate contributions and government grants.

SAGE's programs and services include:

- Storefront Program -- The SAGE Storefront Grant Program offers qualified businesses matching grants of up to \$10,000 for business property owners to make facility improvements such as door and window replacement, painting, signage, lighting, parking lot repairs, and other exterior renovations. SAGE funded Storefront grants to 14 and 16 businesses in 2024 and 2023 totaling **\$116,338** and \$125,031, respectively. Since 2010, SAGE has awarded over 200 storefront grants, resulting in facility improvements of over \$1.6 million in Eastside San Antonio.
- Small Business Support -- SAGE's Small Business Support Program ("SBS") provides business support, access to educational opportunities, technical assistance, resources, and grant assistance to small businesses located in Eastside San Antonio. The Program is specifically designed to meet the demands of small businesses (whether startup or growth-minded) that need targeted and tailored support.

Business support includes:

- Referring participating small businesses to business development technical experts, peers, and mentors to assist them with any emerging improvement plans;
- Connecting business owners to resources and other grant opportunities that include funds for capital, façade improvement, capacity building, and casualty loss expenses;
- Continuous follow-up with participating small businesses to check in generally, understand preexisting or new challenges, and encourage progress towards goals.

SAGE also offers intensive support to select small businesses through peer cohorts. These cohorts provide an opportunity for participants to work closely with business development experts, peers, and mentors, receiving tailored guidance on both emerging challenges and long-term growth strategies.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note A: Nature of Organization (Continued)

- Promise Zone – In 2014, the U.S. Department of Housing and Urban Development designated approximately twenty-two (22) square miles on the Eastside of San Antonio (“Eastside Promise Zone” or “EPZ”) as one of the first five Promise Zones in the nation. A Promise Zone is a designation aimed at addressing poverty and improving economic opportunity in designated urban, rural, and tribal communities. In 2021, SAGE was named the Collective Impact Coordinator for activities in the EPZ. In this capacity, SAGE acts as coordinator and connector among city agencies, non-profit organizations, and local businesses/corporations engaged in the EPZ to further enhance and sustain economic development and community reinvestment efforts. The five key areas of responsibility include:
  - Cataloging investments and communicating impact
  - Community engagement
  - Capacity-building for community-based organizations
  - Neighborhood marketing, and
  - Sustainability/rescue development.

SAGE managed an AmeriCorps VISTA program, allowing VISTAs to volunteer and serve in an office setting to address community challenges and help combat poverty in underserved communities.

On January 7, 2024, the federal designation came to an end.

- SAGE Equity Fund – Through a \$740,998 grant received in 2014 from the US Department of Health and Human Services’ Community Economic Development, SAGE made equity investments in three Eastside businesses to incentivize investment in the Eastside and serve as a job creation engine for low-income residents. SAGE continues to own a small stake in two of the businesses; the third business purchased SAGE’s investment in 2016 based upon predetermined buyback terms. For additional information, refer to **Note D**.
- Significant Markers – SAGE commissions the installation of historical markers throughout the Eastside, commemorating significant events, locations, and individuals, in turn helping residents and visitors connect with the area’s history.
- Texas Homeowner Assistance Fund – In partnership with the Texas Department of Housing & Community Affairs, in 2023, SAGE provided technical assistance to Eastside residents, identifying \$1,488,563 in total financial need and preventing 15 foreclosures.
- Home Rehab Program – In partnership with the City of San Antonio Neighborhood & Housing Service Department, in 2023, SAGE provided technical assistance to 165 residents to rehabilitate and repair their homes.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note A: Nature of Organization (Continued)

- Community Engagement – SAGE hosts community and special events throughout the year, including:
  - Meet the CEO Event - SAGE hired a new Chief Executive Officer, James Nortey, in January 2024. In May 2024, SAGE hosted an event that allowed the CEO to introduce himself to community members and donors, as well as share his vision for SAGE.
  - HalloEast – HalloEast is a free family-friendly community block party celebrating Halloween. This event is more than just trick-or-treating -- it's an opportunity for residents to connect with neighbors and share valuable community resources. This event attracts over 700 attendees and more than 50 vendors from the community.
  - Collaboration with Prosper West - Over the course of two evenings in October 2024, local Business Development Organizations (BDOs), Prosper West and SAGE, jointly facilitated community focus groups in San Antonio's Westside and Eastside. These gatherings created a space for residents to express their hopes, concerns, and visions for the future of their neighborhoods. Discussions revolved around key topics such as community development priorities, missing amenities, the preservation of cultural character, and the potential for transit-oriented development. Participants explored critical questions about community needs, local business opportunities, and ways to ensure that new development projects benefit current residents while preventing displacement. The conversations highlighted unique neighborhood qualities, equitable development practices, and strategies to engage residents in future planning.
  - Focus Groups regarding Community Crisis - In the Summer of 2024, SAGE conducted community focus groups to uncover how a community responds to a crisis with specific examples concerning the novel coronavirus disease of 2019 (COVID-19) pandemic. The purpose of this study was to: (1) Gather feedback from Eastside community members regarding their experiences throughout the COVID-19 pandemic and similar economic crises; 2) Determine the impact of the COVID-19 pandemic on businesses and workers (including their experiences at home and within the community); 3) Discover what strategies, policies, and resources were most helpful to the community, and to what extent people are prepared for a similar future crisis; and 4) Utilize community voice to help improve SAGE's programs that support the needs of the Eastside small business community
  - In 2024 SAGE was awarded a \$150,000 Community Economic Development (CED) Planning grant from the U.S. Department of Health and Human Services, aimed at building the administrative capacity needed to develop a public market complex on San Antonio's Eastside. This planning project marks a significant step forward in SAGE's commitment to fostering economic vitality in this minority-majority area, which has long grappled with systemic poverty, high unemployment, and the lingering effects of historical disenfranchisement through redlining, racial segregation, and governmental disinvestment. Through the CED Planning funds, SAGE will develop a comprehensive, community-informed business plan to establish a public market complex that will serve as an economic anchor for the Eastside. This vibrant community space is envisioned to address the critical shortage of grocery stores, dining, and entertainment options in the area, and create a central hub where residents can support local businesses, enjoy community events, and access essential goods and services.
  - SAGE directly engages more than 6,000 community members through its website, semi-monthly newsletter, and social media engagement.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note B: Summary of Accounting Principles

#### ***Basis of Accounting***

The financial statements are prepared on the accrual basis of accounting in conformity 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 SAGE generally are not considered “restricted” under GAAP, though for internal reporting, SAGE tracks such grants and contributions to verify the disbursement matches the intent. 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 SAGE’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. During the years ended December 31, 2024 and 2023, no such perpetual net assets existed.

#### ***Estimates***

The preparation of 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 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 Support Services***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses which can be directly identified with specific programs are allocated to those programs. Any expenses not directly chargeable are allocated to programs and supporting service classifications on the basis of management estimates. For example, expenses that are allocated include payroll expenses which are allocated on the basis of estimates of time and effort, as well as utilities, rent, supplies, and various other expenses which are allocated on the basis of employee usage or some other reasonable basis.

#### ***Cash and Cash Equivalents***

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

#### ***Restricted Cash***

Restricted cash consists of grant funds advanced by the City of San Antonio for use in SAGE’s Storefront, Back Office, and Community Economic Development (CED) programs. These funds are included in Cash – Restricted and in Deferred Revenue in the Statements of Financial Position.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note B: Summary of Accounting Principles (Continued)

#### ***Accounts Receivable***

Receivables are carried at the original invoice amount, less an allowance made for impairment of these receivables. All receivables are individually analyzed for purposes of determining collectability. At December 31, 2024 and 2023, no allowance was determined to be necessary as all receivables are considered fully collectible.

#### ***Prepaid Expenses***

Prepaid expenses are recorded when paid and expensed in the period the good or service is received.

#### ***Investments***

Investments are carried at cost based on SAGE's capital contributions for financial statement purposes.

#### ***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 SAGE 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.

#### ***Fair Value of Financial Instruments***

SAGE's financial instruments include cash and cash equivalents, receivables, and payables. The carrying amount of these financial instruments as reflected in the Statements of Financial Position approximates fair value.

#### ***Property and Equipment***

SAGE capitalizes all expenditures for property and equipment in excess of \$2,500. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years.

#### ***Impairment of Long-Lived Assets***

SAGE 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. SAGE 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.

## San Antonio for Growth on the Eastside, Inc.

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

---

### **Note B: Summary of Accounting Principles (Continued)**

#### ***Deferred Revenue***

Deferred revenue includes contributions and gifts of cash received that are attributable to SAGE's government grants and are recognized when qualifying expenditures are incurred.

#### ***Leases***

SAGE assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the 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. Leases with an initial term of 12 months or less are not recorded in the Statements of Financial Position. Lease expense is recognized for these leases on a straight-line basis over the lease term. SAGE has elected to apply the short-term lease exception to all leases with a term of 12 months or less. SAGE has elected to utilize the risk-free rate as the discount rate on its leases. Management of SAGE reviewed its leases and determined SAGE's copier lease was immaterial to the financial statements taken as a whole. As such, no adjustment was deemed necessary for SAGE's copier lease. Refer to **Note G** and **Note H**.

#### ***Revenue and Revenue Recognition***

Conditional contributions or grants that include both a barrier and right of return are recognized as revenue when the condition or conditions on which they depend are substantially met and the conditional promise becomes unconditional.

SAGE recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. SAGE reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, With Donor Restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

SAGE records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

#### ***Contributed Nonfinancial Assets***

Donated facilities, goods, and professional services are valued based on their estimated fair market value on the date of contribution.

#### ***Advertising Costs***

Advertising costs are mainly for program outreach initiatives and are expensed as incurred. Advertising expenses during the years ended December 31, 2024 and 2023 totaled **\$0** and \$10,000, respectively.

## San Antonio for Growth on the Eastside, Inc.

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

---

### **Note B: Summary of Accounting Principles (Continued)**

#### ***Federal Income Taxes***

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

#### ***Reclassification***

Certain items presented in the 2023 summarized comparative financial information, specifically Grants – Federal Government in the accompanying Statement of Activities, have been reclassified to conform to the 2024 financial statement presentation.

Certain items presented in the 2023 summarized comparative financial information, specifically Rent and Building Occupancy in the accompanying Statement of Functional Expenses, have been reclassified to conform to the 2024 financial statement presentation.

Certain items presented in the 2023 summarized comparative financial information, specifically Net Assets With Donor Restrictions in the accompanying Statements of Financial Position, have been reclassified to conform to the 2024 financial statement presentation.

#### ***Restatement***

During the year ended December 31, 2024, management of SAGE performed additional analysis and identified a right-of-use asset and operating lease liability that were misstated during the year ended December 31, 2023. The correction of this reporting error had an effect on total net assets totaling \$11,167 at December 31, 2023.

During the year ended December 31, 2024 management of SAGE performed additional analysis and identified donor restricted net assets that were misstated during the year ended December 31, 2023. The correction of this reporting error had no effect on total net assets at December 31, 2023.

#### ***Summarized Comparative Financial Information***

The 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 the SAGE's financial statements for the year ended December 31, 2023 from which the summarized information was derived.

## San Antonio for Growth on the Eastside, Inc.

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

---

#### Note C: Liquidity and Availability

The following represents SAGE'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	\$ 194,742	\$ 55,077
Cash - Restricted	-	45,459
Grants and Accounts Receivable	<u>83,270</u>	<u>98,926</u>
Total Financial Assets	<u>278,012</u>	<u>199,462</u>
Less Those Unavailable for General Expenditures Within One Year, Due To:		
Net Assets with Donor Restrictions	423,998	338,998
Cash - Restricted by Donor	-	45,459
Less Equity Investments	<b>(338,998)</b>	(338,998)
Less Net Assets with Restrictions to be Met in Less Than One Year	<u>(85,000)</u>	<u>-</u>
	<u>-</u>	<u>45,459</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 278,012</u>	<u>\$ 154,003</u>

SAGE regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. SAGE operates a balanced budget and anticipates earned revenues and annual support contributions are sufficient to cover general expenditures not provided by other donor restricted sources. In addition to cash and receivables, SAGE has agreements with the City of San Antonio that management deems, in combination with other financial resources, sufficient to meet general expenditures over the next twelve months.

#### Note D: Equity Investments

In September 2014, SAGE received a \$740,998 grant from the U.S. Department of Health and Human Services' CED Program. The purpose of the grant was to improve the quality of the economic and social environment for low-income residents by providing resources to local businesses to create employment opportunities for low-income individuals. In 2015, SAGE used CED grant funds totaling \$441,139 to make capital contributions to three companies in exchange for an ownership (equity) interest. Four years after SAGE's initial investment, the companies became eligible to repurchase their equity interests from SAGE. Indatatech, Inc. repurchased its 2% equity interest from SAGE for the original investment amount totaling \$102,141, plus a return on investment totaling \$8,932. The recaptured amount totaling \$102,141 was released from restriction and the funds were utilized in SAGE's programmatic activities as allowed by the CED grant. There were no changes in ownership percentages for the other companies during the years ended December 31, 2024 and 2023.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note D: Equity Investments (Continued)

Capital Contributions consisted of the following at December 31, 2024 and 2023:

	<u>Ownership Percentage</u>	<u>Capital Contribution</u>
MedWheels, Inc.	4.9%	\$ 50,000
Chelsea's Catering and Bar Service, LLC	2.9%	<u>288,998</u>
Total Equity Investments		<u>\$ 338,998</u>

In December 2024, SAGE entered into an agreement with MedWheels, Inc. to have the company repurchase its equity at a mutually agreed upon valuation amount. Payment in full is expected by the end of December 2025.

### Note E: Property and Equipment

Property and Equipment, Net of Accumulated Depreciation consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Furniture, Equipment, and Software	\$ 40,919	\$ 48,975
Less: Accumulated Depreciation	<u>(35,120)</u>	<u>(41,769)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 5,799</u>	<u>\$ 7,206</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled **\$3,977** and \$3,870, respectively.

### Note F: 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		
SAGE Equity Fund	\$ 338,998	\$ 338,998
Storefront Grants	<u>85,000</u>	<u>-</u>
Total Net Assets With Donor Restrictions	<u>\$ 423,998</u>	<u>\$ 338,998</u>

### Note G: Leases and Contributed Facilities

#### *Building Lease and Contributed Facilities*

SAGE received a discounted rental rate during the years ended December 31, 2024 and 2023; the estimated fair market value of the occupied space totaled \$46,878 per year. During the years ended December 31, 2024 and 2023, contributed facilities totaled **\$30,366** and \$32,478, respectively. See **Note J**.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note G: Leases and Contributed Facilities (Continued)

#### *Building Lease and Contributed Facilities (Continued)*

In March 2024, SAGE renewed its lease agreement with VIA Metropolitan Transit, which expires on December 31, 2026. The building lease agreement does not contain any residual value guarantees or restrictive covenants. Termination of the building lease is generally prohibited, unless there is a violation under the building lease agreement.

The following summarizes the line items in the Statements of Financial Position which include amounts for operating lease right-of-use asset and liability at December 31:

	<u>2024</u>	<u>2023</u>
Operating Lease Right-of-Use Asset	\$ <u>49,928</u>	\$ <u>72,296</u>
Current Portion of Operating Lease Liability	\$ 24,250	\$ 13,352
Long-Term Portion of Operating Lease Liability	<u>45,891</u>	<u>70,106</u>
Total Operating Lease Liability	\$ <u>70,141</u>	\$ <u>83,458</u>

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

	<u>2024</u>	<u>2023</u>
Operating Lease Expense Included in:		
Rent and Building Occupancy	\$ <u>25,563</u>	\$ 25,562

The following summarizes the supplemental cash activities associated with operating lease for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash Paid for Amounts Included in the Measurement of Operating Lease Liability:		
Cash Flows From Operating Lease	\$ 16,512	\$ 14,400
Right-of-Use Asset Obtained in Exchange for Lease Liability	\$ -	\$ 94,766

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

Weighted Average Remaining Lease Term (Years):	<u>2024</u>	<u>2023</u>
Operating Lease	2.00	3.00
Weighted Average Discount Rate:		
Operating Lease	3.94%	3.94%

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note G: Leases and Contributed Facilities (Continued)

#### *Building Lease and Contributed Facilities (Continued)*

The payment maturities of operating lease liabilities are as follows at December 31:

2025	\$	25,185
2026		<u>46,152</u>
Total Operating Lease Payments		71,337
Less: Interest		<u>(1,196)</u>
Present Value of Operating Lease Liability	\$	<u><u>70,141</u></u>

### Note H: Commitment

SAGE has a copier under a non-cancellable commitment expiring March 29, 2027. Expenses charged to Office Expense in the accompanying Statement of Functional Expenses totaled **\$2,641** and \$2,295 for the years ended December 31, 2024 and 2023, respectively.

Future minimum payments under the commitment are as follows as of December 31:

2025	\$	2,052
2026		2,052
2027		<u>513</u>
Total	\$	<u><u>4,617</u></u>

### Note I: Concentrations

#### *Credit Risk of Financial Instruments*

Financial instruments which potentially subject SAGE to a concentration of credit risk consist of its cash balances held at its financial institution. SAGE maintains three bank accounts at one institution in San Antonio, Texas. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2024 and 2023, SAGE did not have uninsured cash balances in excess of FDIC limits.

#### *Support and Revenue and Receivables*

SAGE received a significant amount of funding from the City of San Antonio for its SBS and Storefront programs in 2024 and 2023, and for general operations in 2023. During the years ended December 31, 2024 and 2023, approximately **44%** and **54%**, respectively, of total support and revenues were received from the City of San Antonio. The loss of funding from this grantor could affect the pace or scale at which SAGE is able to achieve some of its objectives. However, management has identified this risk and is proactively taking steps to diversify funding and align programmatic priorities accordingly.

At December 31, 2024 and 2023, approximately **88%** and **82%** of accounts and grants receivable was due from one governmental agency, respectively.

## San Antonio for Growth on the Eastside, Inc.

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

---

### Note J: Contributed Nonfinancial Assets

SAGE received the following contributed nonfinancial assets during the year ended December 31, 2024:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Rent and Building Occupancy	\$ 16,397	\$ 13,665	\$ 304	\$ 30,366
Salaries and Wages (Interim CEO)	-	18,644	-	18,644
Total Contributed Nonfinancial Assets	\$ 16,397	\$ 32,309	\$ 304	\$ 49,010

SAGE received the following contributed nonfinancial assets during the year ended December 31, 2023:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Rent and Building Occupancy	\$ 25,182	\$ 7,225	\$ 71	\$ 32,478
Salaries and Wages (Interim CEO)	30,088	37,248	11,987	79,323
Total Contributed Nonfinancial Assets	\$ 55,270	\$ 44,473	\$ 12,058	\$ 111,801

#### ***Rent and Building Occupancy***

Rent and building occupancy is valued at the fair market value of similar spaces for rent.

#### ***Professional Fees***

Professional fees are valued at the fair market value for similar services that the vendor would have charged if not donated.

### Note K: Related Party

As detailed in **Note G**, SAGE leases office space with VIA Metropolitan Transit. The President and CEO of VIA Metropolitan Transit served on the SAGE Board of Directors during a portion of 2023. The General Counsel and Senior Vice President of VIA Metropolitan Transit serves on the SAGE Board of Directors.

### Note L: SIMPLE IRA Plan

SAGE has a SIMPLE IRA Plan that covers substantially all employees who meet certain eligibility requirements. SAGE may elect to contribute matching contributions up to 3% of employee compensation. During the years ended December 31, 2024 and 2023, matching contributions totaled **\$3,450** and \$6,838, respectively, and are included in Employee Benefits in the accompanying Statement of Functional Expenses.

### Note M: Subsequent Events

Subsequent events have been evaluated through July 14, 2025, which is the date the financial statements were available to be issued.

## **Supplementary Information**

**San Antonio for Growth on the Eastside, Inc.**

Schedule of Receipts and Disbursements by Budgeting Cost Category  
 City of San Antonio Incentive Funds  
 Years Ended December 31, 2024 and 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Incentive Funds Balance at Beginning of Year, January 1, 2023</b>	\$ 7,262	\$ 7,262	\$ -
<b>Revenues</b>			
Center City Incentive Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Total Funds Available For Use</b>	<u>\$ 57,262</u>	<u>\$ 57,262</u>	<u>\$ -</u>
<b>Disbursements</b>			
Grants	<u>\$ 53,882</u>	<u>\$ 53,882</u>	<u>\$ -</u>
<b>Total Disbursements</b>	<u>\$ 53,882</u>	<u>\$ 53,882</u>	<u>\$ -</u>
<b>Incentive Funds Balance at End of Year, December 31, 2023</b>		<u>\$ 3,380</u>	
<b>Incentive Funds Balance at Beginning of Year, January 1, 2024</b>	<u>\$ 3,380</u>	<u>\$ 3,380</u>	<u>\$ -</u>
<b>Revenues</b>			
Center City Incentive Fund	<u>\$ 11,762</u>	<u>\$ 11,762</u>	<u>\$ -</u>
<b>Total Funds Available For Use</b>	<u>\$ 15,142</u>	<u>\$ 15,142</u>	<u>\$ -</u>
<b>Disbursements</b>			
Grants	<u>\$ 29,874</u>	<u>\$ 29,874</u>	<u>\$ -</u>
<b>Total Disbursements</b>	<u>\$ 29,874</u>	<u>\$ 29,874</u>	<u>\$ -</u>
<b>Incentive Funds Balance at End of Year, December 31, 2024</b>		<u>\$ (14,732)</u>	