

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

**Financial Statements
and Supplementary Information**

December 31, 2025, and 2024



San Antonio for Growth on the Eastside, Inc.

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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, 2025, 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, 2025, 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.

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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schraver, Carmona & Company, PLLC

San Antonio, Texas

April 28, 2026

Financial Statements

San Antonio for Growth on the Eastside, Inc.

Statements of Financial Position December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 258,911	\$ 194,742
Accounts Receivable	1,700	22,332
Grants Receivable	36,323	60,938
Prepaid Expenses and Other Assets	5,208	1,811
Total Current Assets	<u>302,142</u>	<u>279,823</u>
Equity Investments	288,998	338,998
Property and Equipment, Net of Accumulated Depreciation	1,606	5,799
Right-of-Use Asset, Operating Lease	25,301	49,928
Total Assets	<u>\$ 618,047</u>	<u>\$ 674,548</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 15,363	\$ 15,824
Accrued Liabilities	6,038	6,793
Operating Lease Liability, Current Portion	45,891	24,250
Total Current Liabilities	<u>67,292</u>	<u>46,867</u>
Operating Lease Liability, Net of Current Portion	-	45,891
Total Liabilities	<u>67,292</u>	<u>92,758</u>
Net Assets:		
Without Donor Restrictions	195,793	157,792
With Donor Restrictions	354,962	423,998
Total Net Assets	<u>550,755</u>	<u>581,790</u>
Total Liabilities and Net Assets	<u>\$ 618,047</u>	<u>\$ 674,548</u>

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, 2025 [With Comparative Totals for the Year Ended December 31, 2024]

	2025			2024 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and Revenues				
<i>Support:</i>				
Government Grants and Contracts	\$ 401,541	\$ -	\$ 401,541	\$ 533,210
Contributions and Other Grants	190,283	50,000	240,283	300,843
Contributed Nonfinancial Assets	30,152	-	30,152	49,010
Special Events, Net of Expenses of \$28,979 and \$0 in 2025 and 2024, respectively	29,471	-	29,471	-
<i>Revenues:</i>				
Investment Income	17,801	-	17,801	235
Net Assets Released from Restrictions	119,036	(119,036)	-	-
Total Support and Revenues	<u>788,284</u>	<u>(69,036)</u>	<u>719,248</u>	<u>883,298</u>
Expenses				
<i>Program Services:</i>				
Financial Assistance	371,462	-	371,462	454,472
<i>Support Services:</i>				
Management and General	364,615	-	364,615	322,980
Fundraising	14,206	-	14,206	9,171
Total Expenses	<u>750,283</u>	<u>-</u>	<u>750,283</u>	<u>786,623</u>
Change in Net Assets	38,001	(69,036)	(31,035)	96,675
Net Assets at Beginning of Year	<u>157,792</u>	<u>423,998</u>	<u>581,790</u>	<u>435,278</u>
Net Assets at End of Year	<u>\$ 195,793</u>	<u>\$ 354,962</u>	<u>\$ 550,755</u>	<u>\$ 531,953</u>

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, 2025 [with Comparative Totals for the Year Ended December 31, 2024]

	2025				2024 Totals
	Program Services	Support Services Management and General	Fundraising	Totals	
Salaries and Wages	\$ 181,653	\$ 178,422	\$ 10,932	\$ 371,007	\$ 399,463
Payroll Taxes and Employee Benefits	21,748	21,327	-	43,075	48,403
Total Salaries and Related Expenses	<u>203,401</u>	<u>199,749</u>	<u>10,932</u>	<u>414,082</u>	<u>447,866</u>
Other Operating Expenses:					
Grants and Other Assistance	75,480	-	-	75,480	123,238
Rent and Building Occupancy	29,685	26,023	1,661	57,369	66,004
Professional Fees	19,378	100,895	311	120,584	58,674
Staff Training and Development	4,689	1,966	-	6,655	26,598
Office Expense	3,856	7,676	212	11,744	22,094
Information Technology	4,948	7,326	468	12,742	19,342
Conferences, Conventions and Meetings	6,979	3,943	416	11,338	6,979
Insurance	1,327	1,248	80	2,655	4,461
Other Program Expenses	7,413	-	-	7,413	3,750
Travel	6,492	1,828	-	8,320	1,854
Equipment Rental	4,293	-	-	4,293	-
Membership	650	2,541	-	3,191	1,786
Outreach and Advertising	775	9,449	-	10,224	-
Total Other Operating Expenses	<u>165,965</u>	<u>162,895</u>	<u>3,148</u>	<u>332,008</u>	<u>334,780</u>
Total Expenses Before Depreciation	<u>369,366</u>	<u>362,644</u>	<u>14,080</u>	<u>746,090</u>	<u>782,646</u>
Depreciation and Amortization	<u>2,096</u>	<u>1,971</u>	<u>126</u>	<u>4,193</u>	<u>3,977</u>
Total Expenses	<u>\$ 371,462</u>	<u>\$ 364,615</u>	<u>\$ 14,206</u>	<u>\$ 750,283</u>	<u>\$ 786,623</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, 2025, and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ (31,035)	\$ 96,675
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized Gain on Equity Investments	(15,000)	-
Depreciation and Amortization	4,193	3,977
(Increase) Decrease in:		
Accounts Receivable	20,632	46,357
Grants Receivable	24,615	(30,701)
Prepaid Expenses and Other Assets	(3,397)	5,087
Right-of-Use Asset - Operating Lease	24,627	22,368
Increase (Decrease) in:		
Accounts Payable	(461)	8,416
Accrued Liabilities	(755)	3,373
Deferred Revenue	-	(45,459)
Operating Lease Liability	(24,250)	(13,317)
Net Cash Provided (Used) by Operating Activities	<u>(831)</u>	<u>96,776</u>
Cash Flows From Investing Activities:		
Proceeds from Sale of Equity Investments	65,000	-
Purchases of Property and Equipment	-	(2,570)
Net Cash Provided (Used) by Investing Activities	<u>65,000</u>	<u>(2,570)</u>
Net Increase in Cash and Cash Equivalents	64,169	94,206
Cash and Cash Equivalents, Beginning of Year	<u>194,742</u>	<u>100,536</u>
Cash and Cash Equivalents, End of Year	\$ <u>258,911</u>	\$ <u>194,742</u>

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, 2025, and 2024

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** businesses in 2025 and 2024 totaling **\$42,381** and \$116,338, 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.

- 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 opportunities 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.

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note A: Nature of Organization (Continued)

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 – In 2014, SAGE received a \$740,998 grant from the US Department of Health and Human Services' Community Economic Development program. Using these funds, SAGE made equity investments in three Eastside businesses to encourage local investment and support job creation for low-income residents. Two of the businesses subsequently repurchased SAGE's minority interest in 2016 and 2025, respectively, in accordance with predetermined buyback provisions. SAGE retains a minority ownership interest in the third business. 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.
- 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

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note A: Nature of Organization (Continued)

- In December 2025, SAGE (in partnership with Local Initiative Support Corporation, City of San Antonio's Department of Neighborhood & Housing Services, CPS Energy, and San Antonio Water Systems) hosted a class for a safe and secure homeownership program designed for older, less-resourced homeowners. The goals were three-fold: (1) Increased awareness of health, safety and financial threats; (2) Prepare homeowners to prevent, respond and recover; and (3) Build a supportive cohort with access to resources.
- 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. 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.
- In 2025, SAGE was awarded a CED Implementation Grant from the U.S. Department of Health and Human Services totaling \$800,000 to support the development of a revolving loan program intended to provide financial assistance to small businesses in the Eastside community. This same year SAGE was awarded a \$2,000,000 U.S. Department of Transportation Reconnecting Communities Project (RCP) planning grant to address longstanding barriers created by highways on San Antonio's Eastside. The project focuses on developing a vision to cap, bury, and transform sections of IH-10, IH-35, and IH-37 into green, pedestrian-friendly spaces. This effort aims to reconnect historically divided neighborhoods, enhance mobility, and spur economic development.
- SAGE directly engages more than 7,000 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, 2025, and 2024

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, 2025 and 2024, 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.

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, 2025, and 2024, no allowance was determined to be necessary as all receivables are considered fully collectible.

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note B: Summary of Accounting Principles (Continued)

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, 2025, and 2024

Note B: Summary of Accounting Principles (Continued)

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

Program outreach and advertising expenses are to educate the public and increase awareness of SAGE's mission and services, including community-based outreach efforts and advertising in national publications. Advertising expenses during the years ended December 31, 2025, and 2024 totaled **\$10,224** and \$0, respectively.

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

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, 2025, and 2024. 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.

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, 2024, from which the summarized information was derived.

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>2025</u>	<u>2024</u>
Financial Assets at Year End		
Cash and Cash Equivalents	\$ 258,911	\$ 194,742
Grants and Accounts Receivable	38,023	83,270
Total Financial Assets	<u>296,934</u>	<u>278,012</u>
Less Those Unavailable for General Expenditures Within One Year, Due To:		
Net Assets with Donor Restrictions	354,962	423,998
Less Equity Investments	(288,998)	(338,998)
Less Net Assets with Restrictions to be Met in Less Than One Year	<u>(65,964)</u>	<u>(85,000)</u>
	<u>-</u>	<u>-</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ <u>296,934</u>	\$ <u>278,012</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 U.S. Department of Health and Human Services, U.S. Department of Transportation, and the City of San Antonio that management deems, in combination with other financial resources, sufficient to meet general expenditures over the next twelve months.

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

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 enhance the economic and social environment for low-income residents by providing resources to local businesses to create employment opportunities. In 2015, SAGE used \$441,139 of CED grant funds to make capital contributions to three companies in exchange for equity interests. Under the terms of the agreements, the companies became eligible to repurchase their equity interests from SAGE after four years at predetermined valuation amounts that included a modest return on investment. Indatatech, Inc. repurchased its 2% equity interest from SAGE in 2016 for \$111,073. MedWheels, Inc. repurchased its 4.9% equity interest from SAGE in 2025 for \$65,000. The proceeds from these repurchases were released from restriction and used for SAGE's programmatic activities, in accordance with the terms of the CED grant. There were no changes in ownership percentage in Chelsea's Catering and Bar Service, LLC during the years ended December 31, 2025, and 2024.

Capital Contributions consisted of the following at December 31, 2025:

	<u>Ownership Percentage</u>	<u>Capital Contribution</u>
Chelsea's Catering and Bar Service, LLC	2.9%	\$ <u>288,998</u>
Total Equity Investments		\$ <u><u>288,998</u></u>

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

	<u>Ownership Percentage</u>	<u>Capital Contribution</u>
Chelsea's Catering and Bar Service, LLC	2.9%	\$ 288,998
MedWheels, Inc.	4.9%	<u>50,000</u>
Total Equity Investments		\$ <u><u>338,998</u></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 totaling **\$65,000** was received during the year ended December 31, 2025 resulting in a gain on repurchase of equity investments totaling **\$15,000**. The gain on repurchase of equity investments is included in investment income in the accompanying Statement of Activities.

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note E: Property and Equipment

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

	<u>2025</u>		<u>2024</u>
Furniture, Equipment, and Software	\$ 40,919	\$	40,919
Less: Accumulated Depreciation and Amortization	<u>(39,313)</u>		<u>(35,120)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 1,606</u>	\$	<u>5,799</u>

Depreciation and amortization expense for the years ended December 31, 2025, and 2024 totaled **\$4,193** and \$3,977, respectively.

Note F: Net Assets With Donor Restrictions

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

	<u>2025</u>		<u>2024</u>
Restricted by Purpose			
SAGE Equity Fund	\$ 288,998	\$	338,998
Storefront Grants	<u>65,964</u>		<u>85,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 354,962</u>	\$	<u>423,998</u>

Note G: Leases and Contributed Facilities

Building Lease and Contributed Facilities

SAGE received a discounted rental rate during the years ended December 31, 2025, and 2024; the estimated fair market value of the occupied space totaled \$46,878 per year. During the years ended December 31, 2025, and 2024, contributed facilities totaled **\$21,063** and \$30,366, respectively. See **Note J**.

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>2025</u>		<u>2024</u>
Operating Lease Right-of-Use Asset	\$ <u>25,301</u>	\$	<u>49,928</u>
Current Portion of Operating Lease Liability	\$ 45,891	\$	24,250
Long-Term Portion of Operating Lease Liability	<u>-</u>		<u>45,891</u>
Total Operating Lease Liability	<u>\$ 45,891</u>	\$	<u>70,141</u>

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note G: Leases and Contributed Facilities (Continued)

Building Lease and Contributed Facilities (Continued)

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>2025</u>	<u>2024</u>
Operating Lease Expense Included in:		
Rent and Building Occupancy	\$ 25,562	\$ 25,563

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

	<u>2025</u>	<u>2024</u>
Cash Paid for Amounts Included in the Measurement of Operating Lease Liability:		
Cash Flows From Operating Lease	\$ 25,185	\$ 16,512
Right-of-Use Asset Obtained in Exchange for Lease Liability	\$ -	\$ -

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

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term (Years):		
Operating Lease	1.00	2.00
Weighted Average Discount Rate:		
Operating Lease	3.94%	3.94%

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

2026	\$	<u>46,317</u>
Total Operating Lease Payments		46,317
Less: Interest		<u>(426)</u>
Present Value of Operating Lease Liability	\$	<u>45,891</u>

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

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 **\$2,136** and \$2,641 for the years ended December 31, 2025, and 2024, respectively.

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

2026	\$	2,052
2027		513

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, 2025, and 2024, 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 2025 and 2024. During the years ended December 31, 2025, and 2024, approximately **32%** and 44%, respectively, of total support and revenues were received from the City of San Antonio. While this represents a concentration of funding, management of SAGE is actively working to diversify revenue sources and align programmatic priorities to support SAGE's long-term sustainability and growth.

At December 31, 2025, and 2024, approximately **94%** and 88% of accounts and grants receivable were due from the City of San Antonio, respectively.

Note J: Contributed Nonfinancial Assets

SAGE received the following contributed nonfinancial assets during the year ended December 31, 2025:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Rent and Building Occupancy	\$ 10,846	\$ 10,196	\$ 651	\$ 21,693
Professional Fees	-	8,459	-	8,459
Total Contributed Nonfinancial Assets	\$ <u>10,846</u>	\$ <u>18,655</u>	\$ <u>651</u>	\$ <u>30,152</u>

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note J: Contributed Nonfinancial Assets (Continued)

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)	<u>-</u>	<u>18,644</u>	<u>-</u>	<u>18,644</u>
Total Contributed Nonfinancial Assets	\$ <u>16,397</u>	\$ <u>32,309</u>	\$ <u>304</u>	\$ <u>49,010</u>

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 General Counsel and Senior Vice President of VIA Metropolitan Transit serves on the SAGE Board of Directors.

Note L: SIMPLE IRA Plan

SAGE had 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, 2025 and 2024, matching contributions totaled **\$3,871** and \$3,450, respectively, and are included in payroll taxes and employee benefits in the accompanying Statement of Functional Expenses.

Note M: Risk and Uncertainty

Current Economic Events

Certain current economic events have arisen which could impact SAGE'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.

San Antonio for Growth on the Eastside, Inc.

Notes to Financial Statements
Years Ended December 31, 2025, and 2024

Note N: Subsequent Events

Subsequent events have been evaluated through April 28, 2026, which is the date the financial statements were available to be issued.

Federal Grant Award

On February 12, 2026, SAGE executed a \$2,000,000 federal grant agreement through the U.S. Department of Transportation's Federal Highway Administration under the Reconnecting Communities Pilot Program. The grant was awarded prior to year-end, during the year ended December 31, 2025.

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, 2025, and 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Incentive Funds Balance at Beginning of Year, January 1, 2024	\$ 3,380	\$ 3,380	\$ -
Revenues			
Center City Incentive Fund	<u>26,494</u>	<u>26,494</u>	<u>-</u>
Total Funds Available For Use	<u>\$ 29,874</u>	<u>\$ 29,874</u>	<u>\$ -</u>
Disbursements			
Grants	<u>\$ 29,874</u>	<u>\$ 29,874</u>	<u>\$ -</u>
Total Disbursements	<u>\$ 29,874</u>	<u>\$ 29,874</u>	<u>\$ -</u>
Incentive Funds Balance at End of Year, December 31, 2024		<u>\$ -</u>	
Incentive Funds Balance at Beginning of Year, January 1, 2025	\$ -	\$ -	\$ -
Revenues			
Center City Incentive Fund	\$ -	\$ -	\$ -
Total Funds Available For Use	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Disbursements			
Grants	\$ -	\$ -	\$ -
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Incentive Funds Balance at End of Year, December 31, 2025		<u>\$ -</u>	