Cross Timber Homes

Financial Statements

December 31, 2025 and 2024

SCHRIVER CARMONA
Certified Public Accountants

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SCHRIVER CARMONA
Certified Public Accountants

7550 W IH-10, Suite 504
San Antonio, Texas 78229
Phone: 210-680-0350
Fax: 210-390-0802
www.scc-cpa.com

Independent Auditor's Report

To the Board of Directors of
Cross Timber Homes

Opinion

We have audited the accompanying financial statements of Cross Timber Homes (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 present fairly, in all material respects, the financial position of Cross Timber Homes 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 Cross Timber Homes 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 Cross Timber Homes' 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 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.

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 purposes of expressing an opinion on the effectiveness of Cross Timber Homes' 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 Cross Timber Homes' 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 Cross Timber Homes' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 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.

Schriver, Carmona & Company, PLLC

San Antonio, Texas

June 25, 2026

Financial Statements

Cross Timber Homes

Statements of Financial Position
December 31, 2025 and 2024

		2025		2024
Assets				
Current Assets:				
Cash and Cash Equivalents	**$**	**977,948**	$	498,443
Grants Receivable		**-**		230,000
Total Current Assets		**977,948**		728,443
Total Assets	**$**	**977,948**	$	728,443
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	**$**	**-**	$	4,331
Total Current Liabilities		**-**		4,331
Total Liabilities		**-**		4,331
Net Assets:				
Without Donor Restrictions		**977,948**		724,112
Total Net Assets		**977,948**		724,112
Total Liabilities and Net Assets	**$**	**977,948**	$	728,443

The Accompanying Notes Are An Integral Part of These Financial Statements.

Cross Timber Homes

Statement of Activities
Year Ended December 31, 2025 (with Comparative Totals for the Year Ended December 31, 2024)

	2025 Without Donor Restrictions	2024 Without Donor Restrictions
Support and Revenues		
Sales of Homes	**$ 1,359,990**	$ 1,156,783
Grants	**480,000**	324,998
Interest Income	**386**	383
Total Support and Revenues	**1,840,376**	1,482,164
Expenses		
Program Services	**1,532,905**	1,325,523
Management and General	**53,635**	32,118
Total Expenses	**1,586,540**	1,357,641
Change in Net Assets	**253,836**	124,523
Net Assets at Beginning of Year	**724,112**	599,589
Net Assets at End of Year	**$ 977,948**	$ 724,112

The Accompanying Notes Are An Integral Part of These Financial Statements.

Cross Timber Homes

Statement of Functional Expenses
Year Ended December 31, 2025 (with Comparative Totals for the Year Ended December 31, 2024)

	2025			2024
	Program Services	Management and General	**Totals**	Totals
Accounting and Audit	$ -	$ 9,275	**$ 9,275**	$ 9,275
Advertising and Promotions	-	5,275	**5,275**	973
Auto and Travel	-	5	**5**	-
Building Materials and Services	913,540	-	**913,540**	907,000
Conferences, Meetings, and Training	-	206	**206**	334
Down Payment Assistance	30,000	-	**30,000**	10,000
Insurance	14,646	1,220	**15,866**	16,066
Information Technology	-	702	**702**	492
Land Used	366,610	-	**366,610**	218,107
Legal Fees	4,350	-	**4,350**	3,600
Management Services	140,000	35,000	**175,000**	126,000
Miscellaneous	-	821	**821**	531
Office Expense	727	244	**971**	1,601
Other Property Expense	-	-	**-**	865
Realtor and Closing Fees	63,032	-	**63,032**	61,622
Printing and Publications	-	887	**887**	1,175
Total Expenses	$ 1,532,905	$ 53,635	**$ 1,586,540**	$ 1,357,641

Cross Timber Homes

Statements of Cash Flows
Years Ended December 31, 2025 and 2024

		2025		2024
Cash Flows From Operating Activities:				
Change in Net Assets	**$**	**253,836**	$	124,523
Adjustments to Reconcile Change in Net Assets				
to Net Cash Provided (Used) by Operating Activities:				
(Increase) Decrease in:				
Grants Receivable		**230,000**		(230,000)
Prepaid Expenses		**-**		17,908
Increase (Decrease) in:				
Accounts Payable		**(4,331)**		(10,322)
Net Cash Provided (Used) by Operating Activities		**479,505**		(97,891)
Net Increase (Decrease) in Cash and Cash Equivalents		**479,505**		(97,891)
Cash and Cash Equivalents, Beginning of Year		**498,443**		596,334
Cash and Cash Equivalents, End of Year	**$**	**977,948**	$	498,443

The Accompanying Notes Are An Integral Part of These Financial Statements.

Note A: Nature of Organization

Cross Timber Homes was formed in March 2017 and is organized as a non-profit corporation to promote social welfare for a specific purpose under Section 501(c)(4) of the Internal Revenue Code. All program construction activity and most administrative services for Cross Timber Homes are provided at cost by Habitat for Humanity of San Antonio, Inc., a 501(c)(3) corporation.

Mission and Purpose

Cross Timber Homes is a non-profit ecumenical Christian Organization dedicated to providing high quality single-family homes that are affordable for San Antonio's hard-working middle-income families and combatting community deterioration by reinvesting in neighborhoods.

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. Grants and contributions gifted for recurring programs of Cross Timber Homes generally are not considered "restricted" under GAAP, though for internal reporting, Cross Timber Homes 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 Cross Timber Homes' 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. As of December 31, 2025 and 2024, no such perpetual net assets with donor restrictions 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 costs of providing the services and other activities are summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. A portion of the Executive Director's fee is allocated and recorded under management services as a general and administrative expense. This allocation is based on salary surveys (time and efforts) of the employee. Other expenses considered by management to be non-programmatic are also recorded in the management and general category.

Note B: Summary of Accounting Principles (Continued)

Cash and Cash Equivalents

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

Grants Receivable

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. Grants receivable are individually analyzed for purposes of determining collectability. At December 31, 2025 and 2024, no allowance was considered necessary, as all grants receivable are considered to be fully collectible.

Prepaid Expenses

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

Fair Value of Financial Instruments

Cross Timber Homes' 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.

Revenue Recognition

In accordance with GAAP, revenue is recorded when earned rather than received. The following summarizes the revenue recognition policies for major classifications of revenue:

- *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. Cross Timber Homes' performance obligations related to sales revenue are satisfied as homes are sold. Cross Timber Homes provides down payment assistance to qualifying individuals, up to $5,000. Down payment assistance is recognized as an expense at the time of closing. The performance obligation related to the expense is satisfied and recognized at the time of closing. However, the assistance is repayable upon re-sale, if the buyer does not live in the home at least five years.
- Government Funding – Government funding is recorded on a reimbursement basis. Specifically, when qualifying expenses are incurred by Cross Timber Homes, both a receivable from the government granting agency and offsetting grant revenue is recorded. Cross Timber Homes receives a federal grant through the City of San Antonio as part of a Neighborhood Stabilization Program Developer Agreement to reimburse the cost of vacant lot acquisition. The maximum reimbursement Cross Timber Homes may receive per home is $39,999. The total multiyear grant award is $500,000. Cross Timber Homes recognizes the revenue when the home is sold, as outlined in the agreement. The performance obligations related to the developer subsidy are satisfied as homes are completed.

Note B: Summary of Accounting Principles (Continued)

Revenue Recognition (Continued)

Additionally, Cross Timber Homes receives a grant from the San Antonio Affordable Housing, Inc. which is administered through the City of San Antonio as part of the Residential Development Agreement. The maximum reimbursement Cross Timber Homes may receive per home is $50,000. The total multiyear grant award is $350,000. Cross Timber Homes recognizes the revenue when the home is sold, as outlined in the agreement. The performance obligations related to the residential development are satisfied as homes are completed.

Advertising Costs

Advertising costs are predominantly for program outreach initiatives and are expensed as incurred. Advertising expense totaled **$5,275** and $973 for the years ended December 31, 2025 and 2024, respectively.

Federal Income Taxes

Cross Timber Homes is exempt from federal income taxes pursuant to provisions of Code Section 501(a) and files as a 501(c)(4) organization as defined by the Internal Revenue Code. Cross Timber Homes is required to file Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax annually.

Cross Timber Homes adopted the provisions of FASB ASC Topic 740-10-25, Income Taxes – Overall – Recognition, which requires recognition and disclosure of uncertain tax positions in the financial statements and footnotes. The management of Cross Timber Homes believes it has no material uncertain tax positions. For the years ended December 31, 2025 and 2024, Cross Timber Homes did not recognize any interest or penalties.

Summarized 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 Cross Timber Homes' financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Note C: Liquidity and Availability of Financial Resources

The following represents Cross Timber Homes' financial assets available to meet general expenditures over the next twelve months at December 31,:

		2025		2024
Financial assets at year end:				
Cash and Cash Equivalents	$	**977,948**	$	498,443
Grants Receivable		-		230,000
Total Financial Assets		**977,948**		728,443
Financial assets available to meet general expenditures within one year	$	**977,948**	$	728,443

Note D: Management Fees and Related Party Transaction

Habitat for Humanity of San Antonio (Habitat) provides management services for site construction, accounting, and executive director's time. During the years ended December 31, 2025 and 2024, Cross Timber Homes incurred and paid **$175,000** and $126,000, respectively, for management services provided by Habitat.

Note E: Concentrations

Home Construction and Land Acquisition Vendor

Cross Timber Homes relies on Habitat for 100% of its home construction and related land acquisition activities, in order to keep costs low to meet Cross Timber Homes' targeted home pricing. Home construction and land acquisition activities account for approximately **81%** and 83% of Cross Timber Homes' total expenses for the years ended December 31, 2025 and 2024, respectively.

Financial instruments that potentially subject Cross Timber Homes to concentrations of credit risk consist of its cash balances at a financial institution if such balances exceed the amount insured by Federal Deposit Insurance Corporation (FDIC). As of December 31, 2025 and 2024, Cross Timber Homes' deposits at its financial institution exceeded the FDIC limit of $250,000. Cross Timber Homes 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 F: Risk and Uncertainty

Certain current economic events have arisen which could impact Cross Timber Homes' 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 G: Subsequent Events

Subsequent events have been evaluated through June 25, 2026, which is the date the financial statements were available to be issued.