

Healthy Futures of Texas

Financial Statements
and Compliance Report

December 31, 2025 and 2024



Healthy Futures of Texas

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Independent Auditor's Report

To the Board of Directors of
Healthy Futures of Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Healthy Futures of Texas (Healthy Futures) (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 Healthy Futures 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) and the standards applicable to financial audits contained in *Government Auditing Standards*. 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 Healthy Futures and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the 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 Healthy Futures' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Independent Auditor's Report (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Healthy Futures' 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 Healthy Futures' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards (SEFA), as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2026 on our consideration of Healthy Futures' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Healthy Futures' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Healthy Futures' internal control over financial reporting and compliance.

Independent Auditor's Report (Continued)

Report on Summarized Comparative Information

We have previously audited Healthy Futures' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 25, 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.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

April 9, 2026

Financial Statements

Healthy Futures of Texas

Statements of Financial Position December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 2,090,456	\$ 2,247,409
Accounts Receivable	843,607	1,531,727
Prepaid Expenses	34,832	29,081
Total Current Assets	<u>2,968,895</u>	<u>3,808,217</u>
Intangible Assets, Net	107,753	125,788
Operating Lease Right-of-Use Assets	93,021	83,993
Finance Lease Right-of-Use Asset	11,414	15,571
Other Assets	2,592	2,592
Total Assets	<u>\$ 3,183,675</u>	<u>\$ 4,036,161</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 79,448	\$ 223,424
Accrued Expenses	11,520	-
Payroll Liabilities	105,683	101,983
Accrued Compensated Absences	148,697	153,666
Operating Lease Liabilities, Current Portion	48,607	79,671
Finance Lease Liabilities, Current Portion	4,035	4,500
Deferred Revenue	138,438	133,752
Total Current Liabilities	<u>536,428</u>	<u>696,996</u>
Operating Lease Liabilities, less Current Portion	44,566	5,234
Finance Lease Liabilities, less Current Portion	7,898	11,545
Total Liabilities	<u>588,892</u>	<u>713,775</u>
Net Assets:		
Without Donor Restrictions	1,546,712	1,750,593
With Donor Restrictions	1,048,071	1,571,793
Total Net Assets	<u>2,594,783</u>	<u>3,322,386</u>
Total Liabilities and Net Assets	<u>\$ 3,183,675</u>	<u>\$ 4,036,161</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Healthy Futures of Texas

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 Restriction	Total	
Support and Revenues				
<i>Support:</i>				
Individual Gifts and Donations	\$ 19,645	\$ 70,000	\$ 89,645	\$ 297,774
Corporate/Organization Grants	763,815	-	763,815	369,917
Government Grants	3,168,747	-	3,168,747	3,404,042
Foundation Contracts	665,985	806,351	1,472,336	1,626,380
Contributed Nonfinancial Assets	74,076	-	74,076	74,016
Special Events, Net of Expenses of \$35,408 for 2025 and \$32,728 for 2024	164,565	-	164,565	164,479
Net Assets Released from Restrictions	1,400,073	(1,400,073)	-	-
<i>Revenues:</i>				
Program Service Fees	139,956	-	139,956	149,776
Curriculum Sales	89,407	-	89,407	188,886
Miscellaneous Revenue	49,053	-	49,053	55,727
Total Support and Revenues	<u>6,535,322</u>	<u>(523,722)</u>	<u>6,011,600</u>	<u>6,330,997</u>
Expenses				
<i>Program Services:</i>				
Advocacy Program	1,074,420	-	1,074,420	1,048,899
Awareness	477,081	-	477,081	613,722
Health Education	3,024,545	-	3,024,545	3,309,401
Training & Technical Assistance	774,952	-	774,952	771,908
Total Program Services	<u>5,350,998</u>	<u>-</u>	<u>5,350,998</u>	<u>5,743,930</u>
<i>Support Services:</i>				
General and Administrative	916,061	-	916,061	904,927
Fundraising	472,144	-	472,144	476,710
Total Expenses	<u>6,739,203</u>	<u>-</u>	<u>6,739,203</u>	<u>7,125,567</u>
Change in Net Assets	(203,881)	(523,722)	(727,603)	(794,570)
Net Assets at Beginning of Year	<u>1,750,593</u>	<u>1,571,793</u>	<u>3,322,386</u>	<u>4,116,956</u>
Net Assets at End of Year	<u>\$ 1,546,712</u>	<u>\$ 1,048,071</u>	<u>\$ 2,594,783</u>	<u>\$ 3,322,386</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Healthy Futures of Texas

Statement of Functional Expenses

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

	Program Services				Total Program Services
	Advocacy Program	Awareness	Health Education	Training & Technical Assistance	
Payroll and Benefits	\$ 678,683	\$ 258,978	\$ 1,791,056	\$ 590,406	\$ 3,319,123
Total Payroll and Benefits	<u>678,683</u>	<u>258,978</u>	<u>1,791,056</u>	<u>590,406</u>	<u>3,319,123</u>
Other Operating Expenses:					
Accounting and Bookkeeping Fees	30,510	2,609	27,647	5,094	65,860
Amortization	10,543	-	3,069	-	13,612
Books, Subscriptions, and Materials	360	-	77,011	1,092	78,463
Conferences and Meetings	1,145	-	3,134	2,927	7,206
Contracts	127,632	75	646,934	71,361	846,002
Equipment	50	-	2,797	113	2,960
Insurance	-	-	2,935	-	2,935
Interest	8	-	463	19	490
Licenses and Permits	43	-	-	-	43
Marketing	1,897	109,364	11,617	12,859	135,737
Membership Dues	833	30	3,043	920	4,826
Other Expenses	422	1	-	1,544	1,967
Postage and Shipping	114	3	1,320	223	1,660
Pre-Employment Administrative	42	-	500	24	566
Printing and Copying	2,700	119	2,605	1,322	6,746
Professional Fees	107,439	82,815	159,483	11,187	360,924
Rent, Parking, and Other Occupancy	7,634	-	61,072	-	68,706
Staff Development	844	-	21,515	4,581	26,940
Software and IT Subscriptions	10,071	5,627	26,021	8,380	50,099
Supplies	33,720	10,136	79,737	11,598	135,191
Telephone and Internet	11,030	3,280	33,996	6,458	54,764
Travel & Meetings	48,700	4,044	68,590	44,844	166,178
Total Expenses	<u>\$ 1,074,420</u>	<u>\$ 477,081</u>	<u>\$ 3,024,545</u>	<u>\$ 774,952</u>	<u>\$ 5,350,998</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Healthy Futures of Texas

Statement of Functional Expenses (Continued)

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

	Support Services			2025 Totals	2024 Totals
	General and Administrative	Fundraising	Total Support Services		
Payroll and Benefits	\$ 701,951	\$ 415,198	\$ 1,117,149	\$ 4,436,272	\$ 4,365,778
Total Salaries and Related Expenses	<u>701,951</u>	<u>415,198</u>	<u>1,117,149</u>	<u>4,436,272</u>	<u>4,365,778</u>
Other Operating Expenses:					
Accounting and Bookkeeping Fees	8,324	2,772	11,096	76,956	59,306
Amortization	17,118	-	17,118	30,730	26,331
Books, Subscriptions, and Materials	187	-	187	78,650	67,987
Conferences and Meetings	145	375	520	7,726	69,914
Contracts	1,077	2,835	3,912	849,914	818,199
Equipment	940	-	940	3,900	11,198
Insurance	5,907	-	5,907	8,842	9,302
Interest	156	-	156	646	830
Licenses and Permits	-	-	-	43	2,938
Marketing	-	197	197	135,934	251,193
Membership Dues	350	460	810	5,636	7,828
Other Expenses	3,493	2,949	6,442	8,409	28,230
Postage and Shipping	-	2,740	2,740	4,400	3,086
Pre-Employment Administrative	177	-	177	743	1,874
Printing and Copying	-	1,967	1,967	8,713	10,605
Professional Fees	37,738	10,375	48,113	409,037	616,758
Rent, Parking, and Other Occupancy	96,944	-	96,944	165,650	159,417
Staff Development	3,331	349	3,680	30,620	28,273
Software and IT Subscriptions	4,404	4,534	8,938	59,037	53,374
Supplies	6,436	10,106	16,542	151,733	145,271
Telephone and Internet	10,028	3,544	13,572	68,336	82,599
Travel & Meetings	17,355	13,743	31,098	197,276	305,276
Total Expenses	<u>\$ 916,061</u>	<u>\$ 472,144</u>	<u>\$ 1,388,205</u>	<u>\$ 6,739,203</u>	<u>\$ 7,125,567</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Healthy Futures of Texas

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	\$ (727,603)	\$ (794,570)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Amortization	30,730	22,397
(Increase) Decrease in:		
Accounts Receivable	688,120	484,867
Prepaid Expenses	(5,751)	(23,493)
Other Assets	-	(131)
Operating Lease Right-of-Use Assets	(9,028)	(19,487)
Increase (Decrease) in:		
Accounts Payable	(143,976)	103,849
Accrued Expenses	11,520	-
Payroll Liabilities	3,700	33,094
Accrued Compensated Absences	(4,969)	12,858
Operating Lease Liabilities	8,268	19,646
Deferred Revenue	4,686	74,614
Net Cash Used by Operating Activities	<u>(144,303)</u>	<u>(86,356)</u>
Cash Flows From Investing Activities:		
Purchase of Intangible Assets	(8,666)	(17,507)
Construction in Progress Purchases	-	(40,000)
Net Cash Used by Investing Activities	<u>(8,666)</u>	<u>(57,507)</u>
Cash Flows From Financing Activities:		
Principal Payments on Finance Lease	(3,984)	(3,460)
Net Cash Used by Financing Activities	<u>(3,984)</u>	<u>(3,460)</u>
Net Decrease in Cash	(156,953)	(147,323)
Cash and Cash Equivalents, Beginning of Year	<u>2,247,409</u>	<u>2,394,732</u>
Cash and Cash Equivalents, End of Year	\$ <u>2,090,456</u>	\$ <u>2,247,409</u>
<u>Supplemental Disclosures:</u>		
Interest Paid	<u>\$ 646</u>	<u>\$ 830</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Healthy Futures of Texas

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

Note A: Nature of Organization

Healthy Futures of Texas (Healthy Futures) is the newly expanded, statewide organization resulting from the 2022 merger of Ntarrupt (North Texas Alliance to Reduce Unintended Pregnancy in Teens), the Texas Campaign to Prevent Teen Pregnancy, and Healthy Futures of Texas. The three nonprofits merged after a two-year planning period to have a greater statewide impact in improving the well-being of young Texans through equitable access to sexual health education, contraception, and resources.

The specific programs that Healthy Future's provides include:

- *Health Education:* Healthy Futures has been a leader in curriculum development since its founding in 2006. Health educators implement puberty and age-appropriate sexual health education for middle school students and sexual health education for junior and senior high school students. education for middle school students and sex education for junior and senior high school students. Higher education programming supports young adults in community colleges and university campuses in Austin, San Antonio, Dallas, and the Rio Grande Valley. Health educators also work with foster care agencies to provide sex education to youth within the foster care system in Texas. Programs designed for parents, caregivers, and trusted adults empower adults to talk about sex and relationships with their teens and prepare them to help teens navigate the healthcare system. Healthy Futures supports Texas public and charter schools, school health advisory councils, and communities through the Texas is Ready program. Texas is Ready assists partners in the implementation of high-quality sexual health education as every Texas youth deserves the information, they need for a lifetime of healthy relationships and positive sexual health outcomes. Healthy Future also continues its work in curriculum development by identifying gaps in the sexual health education landscape and developing programs and materials to meet the needs.
- *Training and Technical Assistance:* Healthy Futures presents a statewide Symposium and offers presentations and discussions with youth-serving professionals from across Texas. In addition, Healthy Futures provides regional training events, training for partners, and youth summits across the state. Healthy Futures provides training and technical assistance for school districts across the state as they implement health education in accordance with Texas State Board of Education guidelines through the Texas is Ready program. Texas is Ready assists partners in the implementation of high-quality sexual health education as every Texas youth deserves the information, they need for a lifetime of healthy relationships and positive sexual health outcomes.
- *Awareness:* Talk About It Texas is a state-wide media campaign inspiring conversations about sexual health and wellness. The media campaign reached several million community members in 2024 with empowering messaging.
- *Research and Data:* Healthy Futures conducts, analyzes, and disseminates research and data relevant to sexual health outcomes of youth and women. Healthy Futures uses research and data to inform decision making and provide partners with accurate information.
- *Advocacy:* Healthy Futures advocates for local and state policy priorities supported by data and the experiences of Texas youth and women. Healthy Futures staffs and manages the Texas Women's Healthcare Coalition which consists of healthcare, faith, and community-based member organizations dedicated to improving the health of Texas women, babies, and families by advocating for access to preventative care for all Texas women. Independently, Healthy Futures staff members educate and engage the Texas Legislature, State Board of Education, state agencies, local school districts, and municipal health departments.

Healthy Futures of Texas

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 Healthy Futures generally are not considered “restricted” under GAAP, though for internal reporting, Healthy Futures 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 Healthy Future’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 may be 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 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 Supporting Services

The financial statements of Healthy Futures report categories of expenses that are attributed to more than one program or support function. These expenses require allocation on a reasonable basis that is consistently applied. Below are the three methods employed by Healthy Futures to allocate these expenses:

- *Salary/Payroll*: Based on hours worked for each program and is recorded on the individual timesheets, electronically approved by the employees and their respective supervisor. Salary/Exempt personnel is allocated based on a percentage of time devoted to each program/grant.
- *Direct Costs*: Expenditures directly related to a specific funding source/grant or program are charged directly to the specific program.
- *Indirect Costs*: Expenses that support grants/programs are allocated based on a pro rata basis based on the number of full-time equivalent employees assigned to the component grants and programs.

Healthy Futures of Texas

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

Note B: Summary of Accounting Principles (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, Healthy Futures considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents include all monies in checking, savings and money market accounts.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are principally due from governmental agencies and other major funding sources and are recorded based on amounts considered by management to be realizable. Healthy Futures estimates any allowance for credit losses using the expected loss method. As of December 31, 2025 and 2024, an allowance for credit losses was not required because all amounts are considered by management to be fully realizable.

Prepaid Expenses

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

Property and Equipment

Healthy Futures established a policy for the recording of property and equipment assets. Healthy Futures will record all purchases with a useful life greater than one year and a cost or donated value of \$5,000 or greater. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets listed as Construction in Progress are not depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Assets capitalized under the capitalization policy are maintained and depreciated over their useful life using the straight-line method.

Intangible Assets

Intangible assets are stated at cost or at their estimated fair market value at the date of donation. Amortization is computed on a straight-line basis over the estimated useful life of the asset.

Software and Website	5 years
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Impairment of Long-Lived Assets

Healthy Futures reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing the assessment include current operating results, trends and prospects, and the effects of obsolescence, demand, competition, and other economic factors. Healthy did not recognize an impairment loss during the years ended December 31, 2025 and 2024.

Healthy Futures of Texas

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

Note B: Summary of Accounting Principles (Continued)

Leases

Healthy Futures 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 Statement of Financial Position. Lease expense is recognized for these leases on a straight-line basis over the lease term. Healthy Futures has elected to apply the short-term lease exception to all leases with a term of 12 months or less. Healthy Futures has elected the practical expedient under ASC 842-20-30-3 to use a risk-free discount rate in place of its incremental borrowing rate for all leases.

Fair Value of Financial Instruments

Healthy Future'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.

Deferred Revenue

Contributions received that are conditional upon Healthy Futures providing a good or service or other condition are recorded as deferred revenue on the Statements of Financial Position and will be recorded as revenue once those conditions are met.

Compensated Absences

Healthy Futures permits eligible employees to accumulate earned, but unused paid time off benefits up to 120 hours. Upon resignation, an employee may receive pay for any unused accrued paid time off up to 80 hours. Liabilities for compensated absences are accrued or recognized to the extent liabilities have matured (i.e. are due for payment).

Revenue Recognition

Contributions and Grants

Contributions received and unconditional promises to give are measured at their fair market values and are reported as an increase in net assets. Healthy Futures 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.

Government funding is either recorded when advances are received or when expenses are incurred, as is the case on reimbursement grants.

Program Revenues

Program revenues primarily consist of sponsorship and registration fees received for training events provided to individuals and organizations that Healthy Futures serves. Healthy Futures recognizes revenue from training events in the period the services are provided. For pledges or registration fees received in advance, these amounts are deferred to the applicable period and revenue is recognized when the training event occurs.

Healthy Futures of Texas

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

Note B: Summary of Accounting Principles (Continued)

Revenue Recognition (Continued)

Program Revenues (Continued)

Curriculum sales revenues consist of product sales and implementation costs of curricula developed by Healthy Futures. Healthy Futures recognizes curriculum revenues in the period curriculum and implementation services are provided.

Special Events

Healthy Futures records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event occurs. Sponsorship pledges received before the event occurs are recorded as deferred revenue and the revenue is recognized when the event occurs.

Contributed Nonfinancial Assets

Donated facilities, goods, and professional services are valued based on their estimated fair market value on the date of contribution. Contributions of services are recognized as revenue at their estimated fair market value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. If an asset is provided that does not allow Healthy Futures to utilize it in its normal course of business, the asset will be sold at its fair market value.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2025 and 2024 was **\$92,563** and \$182,866, respectively, and are included in marketing in the accompanying Statement of Functional Expenses.

Federal Income Taxes

Healthy Futures is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code (IRC) and therefore has made no provision for federal income taxes in the accompanying statements. In addition, Healthy Futures has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509 (a) for the IRC. Contributions to Healthy Futures are deductible to the extent allowed by law. There was no unrelated business income for the years ended December 31, 2025 and 2024. Healthy Futures 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 amounts in the 2024 financial have been reclassified to conform to the 2025 presentation, specifically interest and equipment expenses in the accompanying Statement of Functional Expenses. Net Assets and change in net assets are unchanged due to the reclassifications.

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 Healthy Futures' financial statements for the year ended December 31, 2024 from which the summarized information was derived.

Healthy Futures of Texas

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

Note C: Liquidity and Availability of Financial Assets

The following represents Healthy Future'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	\$ 2,090,456	\$ 2,247,409
Accounts Receivable	843,607	1,531,727
Total Financial Assets	<u>2,934,063</u>	<u>3,779,136</u>
Less Those Unavailable for General Expenditures Within One Year, Due to:		
Net Assets Restricted at Year End	1,048,071	1,571,793
Less Net Assets With Restrictions to be Met in Less Than One Year	<u>(880,589)</u>	<u>(1,498,560)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 2,766,581</u>	<u>\$ 3,705,903</u>

Healthy Future's regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Healthy Futures has various resources of liquidity at its disposal, including cash and cash equivalents and various receivables. In addition to the financial assets available to meet general expenditures, Healthy Futures operates a balanced budget and anticipates earned revenues and annual support contributions sufficient to cover general expenditures not provided by other donor restricted sources. Lastly, Healthy Futures has a line of credit (see **Note I**).

Note D: Concentrations

Credit Risk of Financial Instruments

Financial instruments which potentially subject Healthy Futures to a concentration of credit risk consist of its cash balances held at its financial institution. Healthy Futures maintains all bank accounts at one financial institution in San Antonio, Texas. The accounts at this financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2025 and 2024, Healthy Future's cash balances at its financial institution exceeded the insured FDIC limit. Healthy Futures has not experienced any losses in such accounts and management believes it is not exposed to a significant risk on its cash balance.

Concentrations of credit risk with respect to current receivables are deemed limited because they are primarily from current contracts with federal, state, and local governments and local foundations.

Healthy Futures of Texas

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

Note D: Concentrations (Continued)

Support and Revenue

Healthy Futures received **51%** and **52%** of revenues from the Department of Health and Human Services for the years ended December 31, 2025 and 2024, respectively. Healthy Futures is dependent upon this governmental department to maintain the current levels of staffing and program services provided to the various communities Healthy Futures serves. Contracts with governmental departments and agencies are negotiated on an annual basis.

Healthy Futures received **13%** of support and revenue from a local foundation for the year ended December 31, 2024. No such concentration of local foundation support and revenue existed for the year ended December 31, 2025.

Note E: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions is summarized as follows at December 31,:

	<u>2025</u>	<u>2024</u>
Restricted by Purpose:		
Admin	\$ 50,000	\$ -
Adolescent Health Lobbying	159,229	15,000
Awareness	10,500	-
DFW Area	61,574	-
Health Education	302,182	1,013,512
Research	38,500	12,000
SA Area	200,000	-
Strategic Integration	-	25,873
Training & Technical Assistance	137,828	26,900
Youth Advocacy	88,258	478,508
Total With Donor Restrictions	<u>\$ 1,048,071</u>	<u>\$ 1,571,793</u>

Healthy Futures of Texas

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

Note F: Leases

Healthy Futures entered an office space operating lease in Austin, Texas during 2024 that expires on February 28, 2026. Furthermore, Healthy Futures has two copier operating leases: one concluding on July 31, 2024, and the other initiated in 2024, set to expire on November 15, 2028. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

	<u>2025</u>	<u>2024</u>
Operating Lease Right-of-Use Assets	\$ <u>93,021</u>	\$ <u>83,993</u>
Finance Lease Right-of-Use Asset	\$ <u>11,414</u>	\$ <u>15,571</u>
Operating Lease Liabilities, Current Portion	\$ 48,607	\$ 79,671
Operating Lease Liabilities, less Current Portion	<u>44,566</u>	<u>5,234</u>
Total Operating Lease Liability	\$ <u>93,173</u>	\$ <u>84,905</u>
Finance Lease Liabilities, Current Portion	\$ 4,035	\$ 4,500
Finance Lease Liabilities, less Current Portion	<u>7,898</u>	<u>11,545</u>
Total Finance Lease Liability	\$ <u>11,933</u>	\$ <u>16,045</u>

The following summarizes the line items in the Statement of Activities which include the components of lease expense for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Operating Lease Expense Included in:		
Equipment	\$ -	\$ 1,499
Rent, Parking, and Other Occupancy	\$ 80,823	\$ 77,680
Finance Lease Expense Included in:		
Amortization	\$ 4,029	\$ 3,934
Interest	\$ 646	\$ 830

The following summarizes the supplemental cash flow information for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Cash Paid for Amounts included in the Measurement of Lease Liabilities		
Operating Leases	\$ 81,582	\$ 81,503
Finance Lease	\$ 4,500	\$ 4,500
Right-of-Use Assets Obtained in Exchange for Lease Liabilities		
Operating Leases	\$ 87,867	\$ 96,326
Finance Lease	\$ -	\$ -

Healthy Futures of Texas

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

Note F: Leases (Continued)

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 Leases	1.86	0.72
Finance Lease	2.83	3.83
Weighted Average Discount Rate		
Operating Leases	3.67%	3.63%
Finance Lease	4.60%	4.60%

The payment maturities of lease liabilities were as follows as of December 31, 2025:

	<u>Operating</u>	<u>Finance</u>
2026	\$ 50,667	\$ 4,500
2027	45,408	4,500
2028	-	3,750
Total Lease Payments	<u>96,075</u>	<u>12,750</u>
Less: Interest	<u>(2,902)</u>	<u>(817)</u>
Present Value of Lease Liabilities	<u>\$ 93,173</u>	<u>\$ 11,933</u>

Note G: Pension Plan

Healthy Futures has a simple IRA retirement plan that allows employees to contribute up to IRS limits. Healthy Futures currently matches up to 3% of each participating employee's salary to this plan. Healthy Future's total contribution for the years ended December 31, 2025 and 2024 was **\$65,082** and \$57,354, respectively, and are included in payroll and benefits in the accompanying Statement of Functional Expenses.

Note H: Intangible Assets

Intangible Assets, Net of Accumulated Amortization consisted of the following at December 31,:

	<u>2025</u>	<u>2024</u>
Software and Website	\$ 160,172	\$ 111,506
Construction in Progress	-	40,000
Total Intangible Assets	<u>160,172</u>	<u>151,506</u>
Less: Accumulated Amortization	<u>(52,419)</u>	<u>(25,718)</u>
Total Intangible Assets, Net of Accumulated Amortization	<u>\$ 107,753</u>	<u>\$ 125,788</u>

Amortization expense for the years ended December 31, 2025 and 2024 totaled **\$26,701** and \$18,463, respectively. A transfer of Construction In Progress totaling **\$40,000** and \$45,629 occurred to capitalize website development costs during the years ended December 31, 2025 and 2024, respectively.

Healthy Futures of Texas

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

Note I: Line of Credit

On August 12, 2025, Healthy Futures renewed a \$300,000 revolving line of credit with a financial institution. The line of credit is for general business use and secured by all accounts of Healthy Futures and is set to mature August 14, 2026. The line of credit bears an interest rate of 0.75% over the prime rate, which totaled 7.50% at December 31, 2025. At December 31, 2025 and 2024, there were no outstanding draws on the line of credit.

Note J: Contributed Nonfinancial Assets

Healthy Futures contributed nonfinancial assets were as follows for the years ended December 31, 2025:

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Donated Facilities	\$ -	\$ 74,076	\$ -	\$ 74,076
	\$ -	\$ 74,076	\$ -	\$ 74,076

Healthy Futures contributed nonfinancial assets were as follows for the years ended December 31, 2024:

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Donated Facilities	\$ -	\$ 71,918	\$ -	\$ 71,918
Professional Services	-	2,098	-	2,098
	\$ -	\$ 74,016	\$ -	\$ 74,016

All contributed nonfinancial assets received by Healthy Futures for the years ended December 31, 2025 and 2024 were considered without donor restrictions and able to be used by Healthy Futures as determined by the board of directors and management.

Professional Services

Professional services are valued at the fair market value for similar services that the vendor would have charged if not donated. Professional services are reported in Accounting and Bookkeeping Fees on the Statement of Functional Expenses.

Donated Facilities

Donated facilities are valued at the fair market value of similar spaces for rent. Donated facilities are reported in Rent, Parking and Other Occupancy on the Statement of Functional Expenses.

Healthy Futures of Texas

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

Note K: Commitments and Contingencies

Healthy Futures participates in several state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Healthy Futures has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Current Economic Events

Certain current economic events have arisen which could impact Healthy Futures' 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 L: Subsequent Events

Subsequent events have been evaluated through April 9, 2026, which is the date the financial statements were available to be issued.

Compliance Report

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

To the Board of Directors of
Healthy Futures of Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Healthy Futures of Texas (Healthy Futures) (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, and have issued our report thereon dated April 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of this Report

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



Schriver, Carmona & Company, PLLC

San Antonio, Texas

April 9, 2026

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

To the Board of Directors of
Healthy Futures of Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Healthy Futures of Texas's (Healthy Futures) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Healthy Futures' major federal programs for the year ended December 31, 2025. Healthy Futures' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Healthy Futures complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Healthy Futures and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Healthy Futures' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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



Schrivver, Carmona & Company, PLLC

San Antonio, Texas

April 9, 2026

Healthy Futures of Texas

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass through Grantor/Program Title	AL Number	Grant ID Number	Grant Period		Federal Grant Expended During the Year
			From	To	
U.S. Department of Health and Human Services					
Competitive Personal Responsibility Education Program (Texas C-PREP UTRGV)	93.092	90AK0098-01-00	9/30/2024	9/30/2025	\$ 626,543
		90AK0098-02-00	9/30/2025	9/29/2026	126,676
					<u>753,219</u>
Teen Pregnancy Prevention Program: <i>Passed through The University of Texas at Austin</i> Texas Foster Youth Health Initiative	93.297	UTA20-000986	9/15/2024	8/31/2025	18,000
Healthy Futures of Texas Talk About It Texas Project		5 TP1AH000284-02-00	7/1/2024	6/30/2025	1,287,271
		6 TP1AH000284-03-01	7/1/2025	6/30/2026	824,465
Teen Pregnancy Prevention Program: <i>Passed through The Policy and Research Group</i> Theory and Innovation Support Hub		TP2AH00088-01-00-G	8/1/2024	7/31/2025	123,752
		TP2AH00088-01-00	9/1/2025	8/31/2026	28,956
					<u>2,282,444</u>
Ending the HIV Epidemic Program: <i>Passed through The City of San Antonio</i> HIV Prevention and Surveillance Activities - Health Department Based	93.940	NU62PS9249	2/21/2025	5/31/2025	60,084
Total U.S. Department of Health and Human Services					<u>3,095,747</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ <u>3,095,747</u>

See Notes to Schedule of Expenditures of Federal Awards

Healthy Futures of Texas

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Healthy Futures of Texas under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

All of Healthy Futures of Texas's federal awards were in the form of cash assistance for the year ended December 31, 2025.

Note B: Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR Part 230, *Costs Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Healthy Futures of Texas has elected to use the 15 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note C: Reconciliation to Statement of Activities in Financial Statements

Total Expenditures of Federal Awards	\$ 3,095,747
State Contracts	65,000
Local Contracts	8,000
Government Grants per Statement of Activities	\$ <u>3,168,747</u>

Healthy Futures of Texas

Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal Control Over Major Programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?	No

Identification of Major Programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
93.297	Teenage Pregnancy Prevention Program

Dollar threshold used to distinguish between Type A and Type B programs	\$1,000,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS None

SECTION III - FEDERAL AWARD FINDINGS None

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS None