

**San Antonio Lifetime Recovery, Inc.**  
**dba**  
**Lifetime Recovery**

**Financial Statements**  
**with Compliance Reports**  
**and Supplementary Information**

**August 31, 2025 and 2024**



**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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## **Independent Auditor's Report**

To the Board of Directors of  
San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery (Lifetime Recovery) (a nonprofit organization), which comprise the statement of financial position as of August 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 Lifetime Recovery as of August 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* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lifetime Recovery 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 Lifetime Recovery's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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### ***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.

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 purpose of expressing an opinion on the effectiveness of Lifetime Recovery'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 Lifetime Recovery'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.

### ***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, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Independent Auditor's Report (Continued)

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### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026, on our consideration of Lifetime Recovery's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lifetime Recovery's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lifetime Recovery's internal control over financial reporting and compliance.

### Report on Summarized Comparative Information

We have previously audited Lifetime Recovery's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 21, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended August 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

March 24, 2026

## **Financial Statements**

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

Statements of Financial Position  
August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 448,010	\$ 5,490,651
Accounts Receivable:		
Government Contracts	746,543	761,711
Promises to Give - Current Portion	261,055	664,191
Grants and Other	17,806	170,671
Prepaid Expenses	<u>74,159</u>	<u>98,958</u>
<b>Total Current Assets</b>	<b>1,547,573</b>	<b>7,186,182</b>
Property and Equipment, Net of Accumulated Depreciation and Amortization	17,317,621	13,256,484
Promises to Give - Net of Current Portion	154,898	454,314
Right-of-Use Assets - Finance Leases	<u>232,377</u>	<u>89,795</u>
<b>Total Assets</b>	<b>\$ <u>19,252,469</u></b>	<b>\$ <u>20,986,775</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 295,979	\$ 401,383
Accrued Payroll Liabilities	283,220	250,538
Retainage Payable	27,990	63,001
Finance Lease Liabilities - Current Portion	<u>77,482</u>	<u>31,746</u>
<b>Total Current Liabilities</b>	<b>684,671</b>	<b>746,668</b>
Line of Credit	200,000	-
Finance Lease Liabilities - Net of Current Portion	<u>233,022</u>	<u>61,066</u>
<b>Total Liabilities</b>	<b><u>1,117,693</u></b>	<b><u>807,734</u></b>
<b>Net Assets:</b>		
Without Donor Restrictions:		
Board Designated - Prudent Reserve	367,582	500,000
Undesignated	<u>17,336,929</u>	<u>15,840,869</u>
Total Without Donor Restrictions	<b>17,704,511</b>	<b>16,340,869</b>
With Donor Restrictions	<u>430,265</u>	<u>3,838,172</u>
<b>Total Net Assets</b>	<b><u>18,134,776</u></b>	<b><u>20,179,041</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>19,252,469</u></b>	<b>\$ <u>20,986,775</u></b>

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

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

	2025			2024 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
<b>Support and Revenues</b>				
<b>Support:</b>				
Bexar County - American Rescue Plan Act Grant	\$ 81,550	\$ -	\$ 81,550	\$ 1,619,427
Grant Income	879,561	-	879,561	4,003,853
United Way	178,662	-	178,662	194,395
Contributions	169,521	-	169,521	543,103
<b>Program Income:</b>				
Texas Department of Health and Human Services Commission (HHSC)	2,976,476	-	2,976,476	2,997,837
US Federal Probation and Pretrial	184,354	-	184,354	444,569
Drug Treatment Court Program Fees	1,725,760	-	1,725,760	1,924,077
Medicaid Fees	115,911	-	115,911	177,000
Department of Family Protective Services	189,198	-	189,198	197,059
Private Pay Fees	3,470	-	3,470	6,750
Program Services	469,327	-	469,327	615,069
<b>Revenues:</b>				
Contributed Nonfinancial Assets	120,865	-	120,865	106,230
Other Income	194,570	-	194,570	203,688
Special Events, net of expenses of \$41,420 and \$51,331 in 2025 and 2024, respectively	42,169	-	42,169	69,839
Net Assets Released from Restrictions	3,407,907	(3,407,907)	-	-
<b>Total Support and Revenues</b>	<b>10,739,301</b>	<b>(3,407,907)</b>	<b>7,331,394</b>	<b>13,102,896</b>
<b>Expenses</b>				
Program Services	8,468,769	-	8,468,769	7,542,550
<b>Support Services:</b>				
Management and General	450,221	-	450,221	457,017
Fundraising	456,669	-	456,669	307,921
<b>Total Expenses</b>	<b>9,375,659</b>	<b>-</b>	<b>9,375,659</b>	<b>8,307,488</b>
<b>Change in Net Assets</b>	<b>1,363,642</b>	<b>(3,407,907)</b>	<b>(2,044,265)</b>	<b>4,795,408</b>
<b>Net Assets at Beginning of Year</b>	<b>16,340,869</b>	<b>3,838,172</b>	<b>20,179,041</b>	<b>15,383,633</b>
<b>Net Assets at End of Year</b>	<b>\$ 17,704,511</b>	<b>\$ 430,265</b>	<b>\$ 18,134,776</b>	<b>\$ 20,179,041</b>

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

**San Antonio Lifetime Recovery, Inc.**  
**dba Lifetime Recovery**

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

	Program Services	Support Services		Totals	Totals
		Management and General	Fundraising		
Salaries and Wages	\$ 4,456,245	\$ 176,894	\$ 337,328	\$ 4,970,467	\$ 4,398,971
Payroll Taxes and Worker's Compensation Expense	306,942	58,687	25,487	391,116	356,410
Total Salaries and Related Expenses	4,763,187	235,581	362,815	5,361,583	4,755,381
Auto and Truck	20,920	21	1	20,942	17,479
Bank Charges and Other Fees	4,396	4,305	29	8,730	5,459
Client Expense	948,755	7,682	1,144	957,581	802,413
Computer Expense	207,776	28,723	5,337	241,836	177,303
Contract Labor	5,994	223	25	6,242	-
Denied Claims	15,746	-	-	15,746	39,639
Dues and Subscriptions	10,858	1,086	2,145	14,089	10,592
Employee Benefits	609,296	79,973	30,488	719,757	635,624
Employee Miscellaneous Expenses	40,632	5,277	675	46,584	34,693
Equipment	3,446	313	35	3,794	3,881
Food	387,576	-	-	387,576	391,113
Insurance	138,798	13,880	1,542	154,220	132,985
Interest	2,325	331	-	2,656	3,713
Licenses and Permits	10,332	692	77	11,101	9,167
Marketing and Outreach	9,079	779	13,319	23,177	57,486
Meetings	6,210	24,368	295	30,873	41,398
Office Supplies	82,152	9,273	1,941	93,366	72,845
Postage	981	98	2,993	4,072	800
Printing	2,133	210	8,881	11,224	2,693
Professional Fees	90,727	9,072	1,008	100,807	99,009
Contributed Nonfinancial Assets - Professional Services	1,616	11,574	-	13,190	1,691
Rent	153,711	3,897	15,606	173,214	130,373
Contributed Nonfinancial Assets - Residential Rent	107,675	-	-	107,675	104,539
Telephone	33,621	5,171	370	39,162	37,356
Training and Development	7,544	277	267	8,088	15,101
Travel	14,766	560	6,915	22,241	31,851
Utilities	164,246	-	-	164,246	147,625
Total Expenses before Depreciation	7,844,498	443,366	455,908	8,743,772	7,762,209
Depreciation and Amortization	624,271	6,855	761	631,887	545,279
<b>Total Expenses</b>	<b>\$ 8,468,769</b>	<b>\$ 450,221</b>	<b>\$ 456,669</b>	<b>\$ 9,375,659</b>	<b>\$ 8,307,488</b>

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

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ (2,044,265)	\$ 4,795,408
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	597,372	513,586
Amortization of Right-of-Use Assets - Finance Leases	34,515	31,693
Discount on Long-Term Promises to Give	(35,608)	53,463
Long-Term Promises to Give Restricted for Capital Campaign	-	(1,593,250)
(Increase) Decrease in:		
Government Contracts Receivable	15,168	(18)
Grants and Other Receivable	152,865	388,007
Prepaid Expenses	24,799	(6,526)
Increase (Decrease) in:		
Accounts Payable	(105,404)	102,800
Accrued Payroll Liabilities	32,682	(183,724)
Retainage Payable	(35,011)	(127,639)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(1,362,887)</u>	<u>3,973,800</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of Property and Equipment	(152,413)	(151,248)
Construction in Progress	(4,506,096)	(2,334,373)
<b>Net Cash Used by Investing Activities</b>	<u>(4,658,509)</u>	<u>(2,485,621)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from Capital Campaign	738,160	496,074
Borrowings on Line of Credit	200,000	-
Proceeds from Lease Incentives	76,796	-
Principal Payment on Finance Leases	(36,201)	(30,689)
<b>Net Cash Provided by Financing Activities</b>	<u>978,755</u>	<u>465,385</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(5,042,641)</u>	<u>1,953,564</u>
Cash and Cash Equivalents, Beginning of Year	<u>5,490,651</u>	<u>3,537,087</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 448,010</u>	<u>\$ 5,490,651</u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Interest Paid	<u>\$ 2,656</u>	<u>\$ 3,713</u>

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

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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**Note A: Nature of Organization**

San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery (Lifetime Recovery) is a nonprofit organization located in San Antonio, Texas that was established in 1963. Lifetime Recovery is changing lives through comprehensive treatment of substance abuse disorder in San Antonio, Texas and South Texas. Lifetime Recovery provides residential treatment and outpatient services.

The specific program and services that Lifetime Recovery provides include:

- Residential Services - Clients live on-site while being closely supervised. Lifetime Recovery provides medical and mental health assessments, treatment for dual dependencies, individual and group counseling, addiction and recovery education, family counseling, extensive case management, parenting discussions, trauma counseling, anger resolution, art activities, recovery planning, and peer support.
- Outpatient Services - Outpatient programs are designed for clients who are in need of treatment, but who also have the skills and support to recover without the need of inpatient care. Clients live off-site and attend group and individual sessions on-site.

**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 Lifetime Recovery generally are not considered “restricted” under GAAP, though for internal reporting Lifetime Recovery 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 Lifetime Recovery’s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At August 31, 2025 and 2024, no such 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.

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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

***Methods Used for Allocation of Expenses among Program and Support Services***

The financial statements of Lifetime Recovery 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 methods employed by Lifetime Recovery to allocate these expenses:

- *Personnel Costs:* All Lifetime Recovery employees except those whose work is primarily fundraising are funded by at least one grant, and several are funded by more than one grant. Personnel line items in grant budgets list job titles and FTEs. Lifetime Recovery has a salary allocation identified with each employee which allocates the wages based on a census of individuals served in the Residential and Outpatient facilities. The allocation is updated monthly and identifies the portion going to each funding source and program. This allocation is calculated within the Accounting System during the transfer of Payroll to the General Ledger. Training costs may be allocated according to an employee's individual allocation or may be charged directly to a single grantor, as appropriate.
- *Fringe benefits (FICA, UC, and Worker's Compensation):* are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability and other fringe benefits are also allocated in the same manner as salaries and wages. Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages. The Bi-Weekly Time and Activity Reports are completed by staff and utilized to determine actual time and effort on federally supported grants and projects for payroll.
- *Office Expenses:* Most office expenses (rent, telephone, information technology, copier rental, supplies, postage) are allocated based upon FTEs. For some line items, there is a mix of allocated joint costs and identifiable costs attributable to a specific service. For example, technology upgrades are occasionally funded by a single source.
- *Direct Service Expenses:* Costs are allocated either directly to the grant if the expense is grant specific, otherwise utilization rates are applied to allocate a percentage of the expense; the approach used may differ from line to line. In the event an expense is not grant related or suitable for the utilization methodology, the expense will be allocated to administrative expenses.
- *Admin Expenses:* Some expenses that are classified as administrative expenses for management purposes relate directly to program activities and are therefore eligible expenses under some grants. These include accounting services and some types of insurance. The utilization methodology is applied to these types of expenses where applicable. Many expenses in the administrative category, such as fundraising expenses or directors' and officers' liability insurance, are not eligible for the utilization methodology and therefore are 100% administrative expenses.

***Cash and Cash Equivalents***

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

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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

***Government Contracts Receivable***

All government contracts receivable are carried at the original invoice amount, less an allowance made for impairment of these receivables. Governmental contracts which are included in receivables are individually analyzed for purposes of determining collectability. At August 31, 2025 and 2024, no allowance has been determined, as all contracts are considered fully collectible.

***Promises to Give***

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. Management of Lifetime Recovery has elected to utilize the U.S. Prime Rate as the discount rate for promises to give that are expected to be collected in more than one year. At September 30, 2025, management considered all promises to give to be fully collectible; accordingly, no allowance for doubtful promises to give has been established. Refer to **Note D**.

***Prepaid Expenses***

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

***Property and Equipment***

Lifetime Recovery capitalizes all expenditures for property and equipment in excess of \$2,500 and have an estimated useful life of 3 years or more. 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 as follows:

Building and Building Improvements	5 to 20 years
Furniture and Fixtures	5 to 10 years
Computer Software/Equipment	3 to 5 years
Vehicles	3 years

Land and Construction in Progress are not depreciated.

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

Lifetime Recovery 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. Lifetime Recovery did not recognize an impairment loss during the years ended August 31, 2025 or 2024.

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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

**Leases**

Lifetime Recovery 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. Lifetime Recovery has elected to utilize the risk-free rate as its discount rate, which is based on short-term treasury rates on debt obligations. Refer to **Note J**.

**Compensated Absences**

Vacation leave may be accrued up to the maximum amount of 240 hours for employees with more than 5 years of service and 180 hours for employees with less than 5 years of service. Accrued vacation leave at August 31, 2025 and 2024 totaled **\$118,498** and \$103,451, respectively and is included within Accrued Payroll Liabilities on the Statements of Financial Position.

**Accrued Wages Payable**

Lifetime Recovery has a bi-weekly pay period policy for personnel to be compensated. Based on this policy, wages payables were accrued at August 31, 2025 and 2024 totaled **\$158,807** and \$146,840 respectively and is included within Accrued Payroll Liabilities on the Statements of Financial Position.

**Fair Value of Financial Instruments**

Lifetime Recovery'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.

**Contributions and Grants**

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

**Local Match Funds**

The Texas Health and Human Services Commission program requires Lifetime Recovery to contribute an amount equal to at least 5% of its funded contract expenses in matching funds or in-kind contributions from sources eligible to be used for matching purposes. Matching funds are generated from in-kind rental contributions and other local sources of revenue which are recorded as support in the accompanying Statement of Activities.

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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

***Federal and State Income Taxes***

Lifetime Recovery is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Contributions to Lifetime Recovery are deductible to the extent allowed by law. Management of Lifetime Recovery believes it has no material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. In addition, Lifetime Recovery 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 August 31, 2025, and 2024. Lifetime Recovery 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.

***Advertising Costs***

Advertising costs are expensed as incurred and are mainly for program outreach initiatives. Advertising costs for the years ended August 31, 2025 and 2024 totaled **\$9,385** and \$14,776, respectively.

***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 Lifetime Recovery's financial statements for the year ended August 31, 2024 from which the summarized information was derived.

**Note C: Liquidity and Availability of Financial Assets**

The following represents Lifetime Recovery's financial assets available to meet general expenditures over the next twelve months at August 31:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 448,010	\$ 5,490,651
Accounts Receivable		
Government Contracts	746,543	761,711
Promises to Give	415,953	1,118,505
Grants and Other	17,806	170,671
Total financial assets	<u>1,628,312</u>	<u>7,541,538</u>
Less those unavailable for general expenditures within one year, due to:		
Net assets restricted at year end	430,265	3,838,172
Long-Term Portion of Promises to Give	154,898	454,314
Less net assets with restrictions to be met in less than one year	<u>(430,265)</u>	<u>(3,838,172)</u>
	<u>154,898</u>	<u>454,314</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,473,414</u>	<u>\$ 7,087,224</u>

**San Antonio Lifetime Recovery, Inc.**  
**dba Lifetime Recovery**

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

**Note D: Promises to Give**

During the years ended August 31, 2025 and 2024, Lifetime Recovery received promises to give intended to provide support for its current capital expansion project, collections of which will subsequently extend over multiple successive years. Promises to give are recognized when the donor makes a promise to give to Lifetime Recovery.

Promises to give consist of the following at August 31:

	<u>2025</u>	<u>2024</u>
Gross Promises to Give	\$ 433,808	\$ 1,171,968
Less: Discount on Net Present Value @ 8.50%	<u>(17,855)</u>	<u>(53,463)</u>
Net Promises to Give	<u>\$ 415,953</u>	<u>\$ 1,118,505</u>
Amounts due in:		
Less than one year	\$ 261,055	\$ 664,191
One to five years	<u>172,753</u>	<u>507,777</u>
Total Amount Due	<u>\$ 433,808</u>	<u>\$ 1,171,968</u>

**Note E: Property and Equipment**

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

	<u>2025</u>	<u>2024</u>
Building and Improvements	\$ 12,654,965	\$ 12,533,921
Vehicles	180,996	180,996
Construction in Progress	5,490,860	984,764
Computer Hardware	84,503	71,668
Computer Software	14,025	-
Furniture and Fixtures	<u>959,033</u>	<u>954,524</u>
Total Property and Equipment	<u>19,384,382</u>	<u>14,725,873</u>
Less: Accumulated Depreciation and Amortization	<u>(2,066,761)</u>	<u>(1,469,389)</u>
Property and Equipment, Net of Accumulated Depreciation and Amortization	<u>\$ 17,317,621</u>	<u>\$ 13,256,484</u>

Depreciation expense for the years ended August 31, 2025 and 2024 totaled **\$597,372** and \$513,586, respectively. Construction in Progress totaling **\$0** and \$3,934,399 was capitalized to Buildings and Improvements and Furniture and Fixtures as of August 31, 2025 and 2024, respectively.

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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**Note F: Line of Credit**

***Operating Line of Credit***

Lifetime Recovery renewed their line of credit with a financial institution totaling \$1,000,000 on August 20, 2025. The line of credit matures on November 16, 2026. The line of credit bears a variable interest rate of prime plus 0.25%, which totaled 7.75% at August 31, 2025. As of August 31, 2025 and 2024, no amount had been drawn on this line of credit.

Lifetime Recovery entered into a revolving line of credit with a financial institution totaling \$900,000 on May 17, 2025. The revolving line of credit matures on May 16, 2028. The revolving line of credit bears a variable interest rate of prime plus 0.25%, which totaled 7.75% at August 31, 2025. As of August 31, 2025 and 2024, outstanding balances on the line of credit totaled **\$200,000** and \$0, respectively.

**Note G: Concentrations**

***Credit Risk of Financial Instruments***

Financial instruments which potentially subject Lifetime Recovery to a concentration of credit risk consist of its cash balances held at its financial institution. Lifetime Recovery maintains accounts at a 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 August 31, 2025 and 2024, Lifetime Recovery's cash balance at its financial institution exceeded the insured FDIC limit. Lifetime Recovery has not experienced any losses in such account and management believes it is not exposed to a significant risk on its cash balance.

Lifetime Recovery has a money market account with a financial institution. Funds are held in a short-term investment trust using short-term, high-credit-quality money market instruments with the objective to preserve capital, maintain liquidity, and produce a competitive yield. Funds held at the financial institution are not FDIC insured. Lifetime Recovery has not experienced any losses in such account and management believes it is not exposed to a significant risk on its balances.

***Support and Revenue***

At August 31, 2025 and 2024, approximately **75%** and 83% of pledges receivable were due from three and five donors, respectively.

At August 31, 2025 and 2024, approximately **74%** and 65% of government grants receivable were due from one and two governmental agencies, respectively.

Lifetime Recovery received approximately **72%** and 56% of total support and revenues from government grants and contracts related funding in 2025 and 2024, respectively. The loss of funding from these grants or contracts could reduce Lifetime Recovery's ability to achieve its objectives.

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

**Note G: Concentrations (Continued)**

Government grants and contracts is summarized as follows at August 31:

Source	Type	2025	
		Amount	Percent of Total Support and Revenue
Texas Department of Health and Human Services Commission	Federal	\$ 2,976,476	40%
US Federal Probation and Pretrial	Federal	184,354	3%
Department of Family Protective Services	State	189,198	3%
Drug Treatment Court Program Fees	Local	1,725,760	23%
Medicaid Fees	Federal	115,911	2%
Bexar County - American Rescue Plan Act Grant	Federal	81,550	1%
<b>Total Government Grants and Contracts</b>		<b>\$ 5,273,249</b>	<b>72%</b>

Source	Type	2024	
		Amount (restated)	Percent of Total Support and Revenue
Texas Department of Health and Human Services Commission	Federal	\$ 2,997,837	23%
US Federal Probation and Pretrial	Federal	444,569	3%
Department of Family Protective Services	State	197,059	2%
Drug Treatment Court Program Fees	Local/Federal	1,924,077	15%
Medicaid Fees	Federal	177,000	1%
Bexar County - American Rescue Plan Act Grant	Federal	1,619,427	12%
<b>Total Government Grants and Contracts</b>		<b>\$ 7,359,969</b>	<b>56%</b>

**Note H: Net Assets**

***With Donor Restrictions***

With Donor Restrictions consisted of the following at August 31:

	2025	2024
Restricted by Purpose:		
Campus Expansion	\$ 430,265	\$ 3,838,172
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 430,265</b>	<b>\$ 3,838,172</b>

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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**Note I: Contributed Nonfinancial Assets**

**Facilities**

Lifetime Recovery has a rent-free lease with Bexar County for real property it uses for its residential treatment facility on Southton Road. Management has determined that the fair market value of the facilities is estimated to be **\$107,675** and \$104,539 for the years ended August 31, 2025 and 2024, respectively. The facilities did not have donor-imposed restrictions. The donated facility has been recognized in the Statement of Functional Expenses as Contributed Nonfinancial Assets – Residential Rent.

**Goods and Services**

Throughout the year, Lifetime Recovery receives donated goods and services mainly related to managed services and web exchange hosting. Accordingly, **\$13,190** and \$1,691 of donated goods and services were received during the years ended August 31, 2025 and 2024, respectively. Lifetime Recovery estimated the fair value of goods and services based on current rates for similar items. The goods and services did not have donor-imposed restrictions. Goods and services has been recognized in the Statement of Functional Expenses as Contributed Nonfinancial Assets – Professional Services.

**Note J: Leases**

Lifetime Recovery's lease for office space expired January 1, 2023, and continues on a month-to-month basis. The amount of total rent expense related to office space for the years ended August 31, 2025, and 2024 totaled **\$173,214** and \$130,373, respectively, and is included as Rent in the accompanying Statement of Functional Expenses.

Lifetime Recovery entered into a finance lease agreement for printers and copiers that expires on various dates through 2030. The finance lease agreements do not contain any residual value guarantees or restrictive covenants.

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

	<u>2025</u>	<u>2024</u>
Right-of-Use Assets - Finance Leases	\$ <u>232,377</u>	\$ <u>89,795</u>
Finance Lease Liabilities - Current Portion	\$ 77,482	\$ 31,746
Finance Lease Liability - Net of Current Portion	<u>233,022</u>	<u>61,066</u>
Total Finance Lease Liabilities	\$ <u>310,504</u>	\$ <u>92,812</u>

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

	<u>2025</u>	<u>2024</u>
Finance Lease Expense Included in:		
Depreciation and Amortization Expense	\$ 34,516	\$ 31,693
Interest	\$ 2,656	\$ 3,713

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

**Note J: Leases (Continued)**

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

	<u>2025</u>	<u>2024</u>
Cash Paid for Amounts Included in the Measurement of Finance Lease Liabilities:		
Cash Flows from Finance Leases	\$ 38,857	\$ 34,402
Right-of-Use Assets Obtained in Exchange for Finance Lease Liabilities	\$ 177,097	\$ -

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

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term (Years):		
Finance Leases	4.55	2.92
Weighted Average Discount Rate:		
Finance Leases	3.70%	3.39%

The payment maturities of lease liability is as follows at August 31:

2026	\$ 87,862
2027	82,128
2028	53,460
2029	53,460
2030	53,183
Thereafter	<u>8,356</u>
Total Lease Payments	338,449
Less: Interest	<u>(27,945)</u>
Present Value of Finance Lease Liabilities	<u>\$ 310,504</u>

**Note K: Service Contract**

Lifetime Recovery has a service agreement for IT services that expired on September 6, 2024. The related amount of total IT services expense for the years ended August 31, 2025 and 2024 totaled **\$8,096** and **\$43,671**, respectively, and is included in Computer Expense on the Statement of Functional Expenses.

During the year ended August 31, 2025, Lifetime Recovery entered into one-year service agreements for accounting and HR services, IT services, and EMR software services. The related amount of total service expenses for the year ended August 31, 2025 totaled **\$13,695**, **\$70,532**, and **\$80,729**, respectively.

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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**Note L: Pension Plan**

Lifetime Recovery established a defined contribution pension plan, which is available to both full time and part time employees who satisfy the service requirements. A formula has been established whereby employee contributions are matched by Lifetime Recovery up to a maximum of 4% of the employee's plan contributions. Employer contributions, which are reported as employee benefits expense of Lifetime Recovery in the accompanying financial statements for the years ended August 31, 2025 and 2024, totaled **\$133,885** and \$124,861, respectively.

**Note M: Risk Management**

Lifetime Recovery is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For all such risks, Lifetime Recovery has purchased insurance in varying amounts to mitigate the risk of loss.

**Note N: Commitments and Contingencies**

Lifetime Recovery 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 Lifetime Recovery 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.

Lifetime Recovery entered into a construction contract for Phase IV of the Campus Expansion project in December 2022 totaling \$3,559,827. The amount expended during the years ended August 31, 2025 and 2024 totaled **\$62,674** and \$1,115,225, respectively. Remaining commitment as of August 31, 2025 and 2024 totaled **\$0** and \$62,674, respectively. At August 31, 2025 and 2024, retainage payable totaled **\$0**.

Lifetime Recovery entered into a construction contract for Phase III of the Main Demolition project in March 2024 totaling \$4,929,712 as of August 31, 2025 and 2024. The amount expended during the years ended August 31, 2025 and 2024, totaled **\$4,230,997** and \$549,574, respectively. Remaining commitment as of August 31, 2025 and 2024 totaled **\$149,141** and \$4,443,139, respectively. At August 31, 2025 and 2024, retainage payable totaled **\$27,990** and \$63,001, respectively.

**Note O: Subsequent Events**

Subsequent events have been evaluated through March 24, 2026, which is the date the financial statements were available to be issued.

***Letter of Intent***

On January 9, 2026, Lifetime Recovery entered into a letter of intent that serves as a precursor to a definitive contribution agreement with a Texas nonprofit corporation RecoveryWerks! (RecoveryWerks). The purpose of the purposed agreement is to cause the program of RecoveryWerks to be operated by Lifetime Recovery, to further the shared mission of supporting individuals who are in recovery from substance use disorder and their families; to provide long-term sustainability for the program of RecoveryWerks; and to promote operational efficiency.

## **Compliance Reports and Supplementary Information**

**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  
San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery

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 San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery (Lifetime Recovery) (a nonprofit organization), which comprise the statement of financial position as of August 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 March 24, 2026.

***Report on Internal Control over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Lifetime Recovery's 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 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)**

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***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 Lifetime Recovery's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lifetime Recovery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

March 24, 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  
San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery's (Lifetime Recovery) 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 Lifetime Recovery's major federal programs for the year ended August 31, 2025. Lifetime Recovery's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lifetime Recovery 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 August 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 and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of Lifetime Recovery 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 Lifetime Recovery's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

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

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### ***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 Lifetime Recovery's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Lifetime Recovery's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

A handwritten signature in black ink, appearing to read "Schriver Carmona". The signature is written in a cursive, flowing style.

Schrifer, Carmona & Company, PLLC

San Antonio, Texas

March 24, 2026

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>AL Number</u>	<u>Pass Through Grant ID Number</u>	<u>Federal Grant Expended During the Year</u>
<b><i>U.S. Department of Health and Human Services</i></b>			
<i>Pass through the Texas Health and Human Services Commission</i>			
<u>Block Grants for Prevention and Treatment of Substance Abuse</u>			
Treatment Services - Adult	93.959	HHS000663700069 SA/TRA 202409	\$ 2,818,190
Recovery Support Services for Treatment Organizations	93.959	HHS000130500016 SA/SAPT 202409	<u>200,000</u>
 <i>Pass through The University of Texas Health Science Center at San Antonio</i>			
<u>Block Grants for Prevention and Treatment of Substance Abuse</u>			
Recovery Support Services (RSS) - COVID-19	93.959	HHS001196700002	87,079
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>3,105,269</u>
 <i>Substance Abuse and Mental Health Services Administration</i>			
Recovery Support Services (TTOR)	93.788	HHS001054500001	80,000
 <i>Medicaid Cluster:</i>			
Texas Medicaid Program	93.778	2146888-01	<u>69,161</u>
Total Medicaid Cluster			<u>69,161</u>
<b><i>Total U.S. Department of Health and Human Services</i></b>			<u>3,254,430</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,254,430</u>

See Accompanying Notes to Schedule of Expenditure of Federal Awards

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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**Note A: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery (Lifetime Recovery) under programs of the federal government for the year ended August 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 Lifetime Recovery, it is not intended, and does not, present the financial position, changes in net assets or cash flows of Lifetime Recovery. Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements.

All of Lifetime Recovery's federal awards were in the form of cash assistance for the year ended August 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) Lifetime Recovery has elected to use the 10 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	\$ 3,254,430
Other Government Grants and Contracts	<u>2,018,819</u>
Total Government Grants and Contracts	<u>\$ 5,273,249</u>

Government Grants and Contracts per the Statement of Activities include the following:

Bexar County - American Rescue Plan Act Grant	\$ 81,550
Texas Department of Health and Human Services Commission (HHSC)	2,976,476
US Federal Probation and Pretrial	184,354
Drug Court - Bexar County	1,725,760
Medicaid Fees	115,911
Department of Family Protective Services	<u>189,198</u>
Total Government Grants and Contracts	<u>\$ 5,273,249</u>

**San Antonio Lifetime Recovery, Inc.  
dba Lifetime Recovery**

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

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

**Federal Awards**

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

Identification of Major Programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
93.959	Block Grants for Prevention and Treatment of Substance Abuse

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

**SECTION II - FINANCIAL STATEMENT FINDINGS** None

**SECTION III - FEDERAL AWARD FINDINGS** None

**SECTION IV - SUMMARY STATUS OF PRIOR YEAR AUDIT FINDINGS** None