

Calm Waters Center for Children and Families, Inc.

Financial Statements and Auditor's Report Thereon
As of and for the years ending June 30, 2023

Table of Contents

Independent Auditors Report	1-2
Statements of Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-11

Russell & Williams CPA's, P.C.

Casey J. Russell, C.P.A., M.B.A.
Autumn L. Williams, C.P.A., Esq.
Member AICPA & OSCPA

2812 NW 57th St., Ste. 102
Oklahoma City, Oklahoma 73112

Phone: (405) 607-8743
Fax: (405) 607-8744
Email: caseycpa@hotmail.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Calm Waters Center for Children and Families, Inc.

Opinion

We have audited the accompanying financial statements of Calm Waters Center for Children and Families, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calm Waters Center for Children and Families, Inc. as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Calm Waters Center for Children and Families, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Calm Waters Center for Children and Families, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 Calm Waters Center for Children and Families, Inc.'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 Calm Waters Center for Children and Families, Inc.'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.

Russell + Williams CPA's P.C.

Oklahoma City, Oklahoma
October 24, 2023

Calm Waters Center For Children and Families, Inc.

Statement of Position

June 30, 2023

Assets

Cash and Cash Equivalents	\$	381,509
Investments		105,488
Accounts & Grants Receivable		85,117
Beneficial Interest in Assets Held by Others		256,305
Prepaid Expenses		11,380
Property and Equipment, Net		<u>33,520</u>
Total Assets	\$	<u>873,319</u>

Liabilities and Net Assets

Liabilities

Accounts Payable & Accrued Expenses	\$	23,743
Deferred Revenue		<u>5,500</u>
Total Liabilities		29,243

Net Assets

Without Donor Restrictions		844,076
With Donor Restrictions		<u>-</u>
Total Net Assets		<u>844,076</u>
Total Liabilities and Net Assets	\$	<u>873,319</u>

The accompanying notes are an integral part of these financial statements.

Calm Waters Center For Children and Families, Inc.
Statement of Activities
For the Year Ending June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support			
Contributions	\$ 128,467	\$ -	\$ 128,467
Grants	297,107	152,000	449,107
Programs	225,375	-	225,375
Special Events	157,832	-	157,832
Interest, net realized and unrealized gains, and other	49,518	-	49,518
Net Assets Released from Restrictions	152,000	(152,000)	-
Total Revenues, Gains and Other Support	1,010,299	-	1,010,299
Expenditures			
Program Expenses	721,839	-	721,839
General Administrative	58,633	-	58,633
Fundraising	166,379	-	166,379
Total Expenditures	946,851	-	946,851
Change in Net Assets	63,448	-	63,448
Beginning Net Assets	780,628	-	780,628
Ending Net Assets	\$ 844,076	\$ -	\$ 844,076

The accompanying notes are an integral part of these financial statements.

Calm Waters Center For Children and Families, Inc.
Statement of Functional Expense
June 30, 2023

	School Groups	Seminars	Support Groups	Clinics	Total Program Expenses	Fundraising	General and Administrative	Totals
Salaries	\$ 104,697	\$ 24,123	\$ 139,781	121,307	\$ 389,908	\$ 53,408	\$ 16,665	\$ 459,981
Employee Benefits	14,982	6,215	14,771	8,530	44,498	5,932	7,524	57,954
Payroll Processing	-	-	-	-	-	-	3,863	3,863
Payroll Taxes	8,878	1,888	11,166	9,805	31,737	3,992	1,269	36,998
Total Personnel Expenses	<u>128,557</u>	<u>32,226</u>	<u>165,718</u>	<u>139,642</u>	<u>466,143</u>	<u>63,332</u>	<u>29,321</u>	<u>558,796</u>
Background Checks	-	-	505	-	505	-	-	505
Bank Charges	-	1,509	-	3,947	5,456	892	1,525	7,873
Continuing Education & Travel	117	88	159	3,349	3,713	50	1,721	5,484
Contract Labor	18,449	3,400	2,113	-	23,962	4,500	-	28,462
Depreciation	4,674	1,667	3,194	721	10,256	1,265	1,265	12,786
Donor/Development	-	-	-	-	-	124	335	459
Dues, Books and Publications	1,469	244	418	2,728	4,859	1,365	3,107	9,331
Food & Catering	82	-	1,614	1,015	2,711	1,875	910	5,496
Fundraising Event Expenses	-	-	-	-	-	60,560	-	60,560
Insurance	2,957	538	1,927	194	5,616	747	747	7,110
IT Support	3,747	1,570	2,867	13,836	22,020	6,680	1,020	29,720
Legal & Accounting	12,069	1,784	7,968	1,251	23,072	4,343	2,069	29,484
Maintenance & Repair	2,243	220	1,399	1,048	4,910	564	499	5,973
Miscellaneous	-	-	450	240	690	410	202	1,302
Postage	504	131	345	65	1,045	842	147	2,034
Printing	885	109	967	2,164	4,125	5,855	219	10,199
Public Relations Media	342	18	321	-	681	172	347	1,200
Rent	41,922	5,014	27,786	24,308	99,030	9,662	9,985	118,677
Security	277	124	208	748	1,357	84	88	1,529
Small Equipment	3,215	403	2,206	917	6,741	918	845	8,504
Supplies	1,959	510	7,984	4,934	15,387	652	497	16,536
Telephone	421	119	180	-	720	144	96	960
Travel	3,463	30	366	2,015	5,874	84	2,246	8,204
Utilities	4,269	1,172	3,138	2,409	10,988	1,223	1,088	13,299
Volunteer Appreciation	181	16	1,550	231	1,978	36	354	2,368
Total Expenses	<u>\$ 231,802</u>	<u>\$ 50,892</u>	<u>\$ 233,383</u>	<u>\$ 205,762</u>	<u>\$ 721,839</u>	<u>\$ 166,379</u>	<u>\$ 58,633</u>	<u>\$ 946,851</u>

The accompanying notes are an integral part of these financial statements.

Calm Waters Center For Children and Families, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$	63,449
Adjustments to reconcile Net Income (Loss) to net		
Cash Provided by (used in) operating activities:		
Depreciation and Amortization		12,786
Decrease (Increase) in Operating Assets		
Accounts Receivable		(10,767)
Prepaid Expenses		(471)
(Decrease) Increase in Operating Liabilities		
Accounts Payable		<u>13,215</u>
Total Adjustments		<u>14,763</u>
Net Cash Provided By (Used in) Operating Activities		<u>78,212</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets		(8,000)
Net Purchases and Sales of Investments		<u>(21,763)</u>
Net Cash Provided By (Used In) Investing Activities		<u>(29,763)</u>

**NET INCREASE (DECREASE) IN CASH
AND CASH EQUIVALENTS**

48,449

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

333,060

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 381,509

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Calm Waters Center for Children and Families, Inc. (the "Center") is a not-for-profit corporation organized to facilitate healing in children and families whose lives have been changed by the death of a loved one or divorce; to heighten individual and public awareness of grief responses in children and adults; to teach healthy coping, communication, parenting and relationship skills; and to be a resource for education, research and development in the grief experience.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

1. Basis of Presentation

The Center maintains its accounts on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Organizations*. Under FASB ASU No. 2016-14, the Center is required to report information regarding its financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions. As of June 30, 2023, the Organization had only net assets without donor restrictions.

2. Cash and Cash Equivalents

The Center considers all highly liquid investments with maturities of three months or less when acquired to be cash equivalents. For purposes of the statement of cash flows, cash includes interest bearing checking accounts. Restricted cash generally represents donations received that are restricted to future periods or for specific purposes. There was no restricted cash at June 30, 2023.

3. Donated Materials and Services

For the year ended June 30, 2023, in-kind donations were approximately \$20,009, consisting principally of advertising, professional fees, printing and supplies. These contributions are recognized when used and are included in contributions and events revenues and support and in the related expenses in the accompanying statement of activities at the estimated fair value of the goods or services received. Equipment, if any, is included with furniture and equipment in the accompanying statement of financial position at the estimated fair value and will be depreciated over its useful life.

A significant portion of the agency's events and free grief programs are conducted by community volunteers. Calm Waters relies on trained volunteers to facilitate its Grief and Divorce Support Groups hosted at its Center and in partnership with 19 Oklahoma City metro school districts, serving 3,610 children, teens and adults. In addition, 1,167 individuals benefitted from grief counseling services from Calm Waters therapists. More than 50 volunteers provide free service to the organization by: facilitating support groups, serving on the board of directors, providing support for fundraising events and providing

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2023

office assistance. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the accounting criteria for recognition.

4. Receivables

Grants receivable are recorded as current or non-current based on the payment schedule as indicated by the grantor upon award. All grants receivables will be received in fiscal year 2023. All grants are considered fully collectible and therefore, no allowance has been made for uncollectible amounts as of June 30, 2023.

The Center also recorded receivables from counseling services provided that will be partially paid by the clients and their insurance. The Center considers accounts receivable to be fully collectible, accordingly the allowance for uncollectible accounts is zero.

5. Concentrations of Credit Risk

Financial instruments that potentially expose the Center to concentrations of credit risk consist of cash. These assets are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2023.

6. Investments

Unrealized gains and losses are included in the change in net assets. Investment income and gains are reported as increases in unrestricted net assets unless specifically restricted by a donor. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

7. Furniture and Equipment

Furniture and equipment are recorded at cost. Contributed furniture and equipment are recorded at fair value at the date of contribution. Property and equipment are depreciated over their useful lives of three or seven years using the straight-line method.

8. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on a percentage as determined by management.

9. Income Taxes

The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from federal income taxes, except for amounts relating to unrelated business income. There was no unrelated business income in 2023. Accordingly, no provision for taxes has been made in the accompanying financial statements. The Center believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Generally, the Center is no longer subject to income tax examinations by federal, state or local tax authorities for years prior to 2021.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2023

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and 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.

11. Availability of Resources and Liquidity

The Organization has \$466,626 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$381,509, accounts and grants receivable of \$85,117, and short-term investments of \$-0-. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The grants receivable are subject to time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$236,713. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including, certificate of deposits and short-term treasury instruments.

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Certain assets of the Center have been transferred to Communities Foundation of Oklahoma, Inc. (CFO) to be held and invested by CFO for the benefit of the Center. The Board of Directors of CFO makes investment decisions, and income earned on the investment is distributable on a basis determined by CFO. The principal amount of the investment, which is the value of the original amount transferred by the Center, cannot be distributed without the approval of the Board of Directors of CFO. This transfer is considered to be a reciprocal transfer as the Center designated itself as the beneficiary. Accordingly, at June 30, 2023, the Center has recognized a beneficial interest in assets held by others of \$256,305, in the accompanying statement of financial position.

Contributions to CFO made by others for the benefit of the Center are not included on the Center's statement of financial position as CFO has variance power over these assets. At June 30, 2023, the market value of this fund was \$29,358.

NOTE C - EMPLOYEE BENEFIT PLAN

The Center provides a defined contribution retirement plan for its employees. All eligible employees participate on the same basis and the Center is required to make matching contributions equal to the employee contributions up to 3% of the employee's annual salary. Total contributions to the plan for the year ending June 30, 2023 were \$7,062.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2023

NOTE D – LEASES

The Center leases office space, under a lease which expires September 2023. Rent expense incurred under this lease in 2023, was \$118,678, and is allocated to various categories in the accompanying statement of functional expense. Future minimum lease payments are due as follows:

Year ending June 30:	
2024	<u>32,688</u>
	<u>\$ 32,688</u>

NOTE E - FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-level hierarchy for measuring fair value. The statement requires fair value measurements be classified and disclosed in one of three categories.

ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

The following table summarizes financial assets measured at fair value on a recurring basis as of June 30, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Calm Waters Center For Children and Families, Inc.

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended June 30, 2023

	2023			
	Level 1	Level 2	Level 3	Total Fair
	Inputs	Inputs	Inputs	Value
Investments	\$ 105,488	\$ 256,305	\$ -	\$ 361,793

NOTE F - SUBSEQUENT EVENTS

The Center has evaluated events or transactions that occurred subsequent to June 30, 2023 through October 24, 2023, the date these financial statements were issued, for potential recognition or disclosure in these financial statements.