

Calm Waters Center for Children and Families, Inc.

Financial Statements and Auditor's Report Thereon
As of and for the years ending June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I 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, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my 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, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Calm Waters Center for Children and Families, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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

My 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 my 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, I:

- 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 my 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.

I am 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 I identified during the audit.

Autumn Williams CPA, P.C.

Durant, Oklahoma
February 6, 2026

Calm Waters Center For Children and Families, Inc.

Statement of Position

June 30, 2025

Assets

Cash and Cash Equivalents	\$	675,436
Investments		78,793
Accounts & Grants Receivable		112,176
Beneficial Interest in Assets Held by Others		273,497
Prepaid Expenses		12,602
Right of Use Assets		176,220
Property and Equipment, Net		20,737
Total Assets	\$	1,349,461

Liabilities and Net Assets

Liabilities

Accounts Payable & Accrued Expenses	\$	22,295
Operating Lease Liability		191,440
Deferred Revenue		16,505
Total Liabilities		230,240

Net Assets

Without Donor Restrictions		869,221
With Donor Restrictions		250,000
Total Net Assets		1,119,221
Total Liabilities and Net Assets	\$	1,349,461

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, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support			
Contributions	\$ 161,462	\$ -	\$ 161,462
Grants	136,500	471,961	608,461
Programs	394,650	-	394,650
Special Events	133,981	-	133,981
Interest, net realized and unrealized gains, and other	68,968	-	68,968
Net Assets Released from Restrictions	221,961	(221,961)	-
Total Revenues, Gains and Other Support	<u>1,117,522</u>	<u>250,000</u>	<u>1,367,522</u>
Expenditures			
Program Expenses	920,307	-	920,307
General Administrative	49,079	-	49,079
Fundraising	137,745	-	137,745
Total Expenditures	<u>1,107,131</u>	<u>-</u>	<u>1,107,131</u>
Change in Net Assets	10,391	250,000	260,391
Beginning Net Assets	858,830	-	858,830
Ending Net Assets	<u>\$ 869,221</u>	<u>\$ 250,000</u>	<u>\$ 1,119,221</u>

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, 2025

	School Groups	Seminars	Support Groups	Clinics	Total Program Expenses	Fundraising	General and Administrative	Totals
Salaries	\$ 69,439	\$ 15,316	\$ 149,354	280,013	\$ 514,122	\$ 45,574	\$ 18,552	\$ 578,248
Employee Benefits	7,951	5,288	16,081	16,037	45,357	4,583	4,079	54,019
Payroll Processing	-	-	-	-	-	-	6,305	6,305
Payroll Taxes	5,291	1,217	11,667	21,863	40,038	3,592	76	43,706
Total Personnel Expenses	<u>82,681</u>	<u>21,821</u>	<u>177,102</u>	<u>317,913</u>	<u>599,517</u>	<u>53,749</u>	<u>29,012</u>	<u>682,278</u>
Background Checks	-	-	965	195	1,160	-	-	1,160
Bank Charges	-	1,340	-	7,833	9,173	849	1,606	11,628
Continuing Education & Travel	205	-	3,774	1,767	5,746	-	323	6,069
Contract Labor	16,566	7,974	13,309	4,585	42,434	3,754	3,149	49,337
Depreciation	2,025	1,563	3,125	1,146	7,859	1,016	1,016	9,891
Donor/Development	-	-	-	-	-	-	110	110
Dues, Books and Publications	695	473	1,577	3,143	5,888	918	436	7,242
Food & Catering	283	184	381	227	1,075	3,431	1,260	5,766
Fundraising Event Expenses	-	-	-	-	-	46,748	-	46,748
Insurance	1,984	1,351	2,706	1,497	7,538	1,055	879	9,472
IT Support	2,656	2,777	3,567	25,926	34,926	7,134	1,509	43,569
Legal & Accounting	6,451	4,227	8,705	3,100	22,483	2,810	2,810	28,103
Maintenance & Repair	1,392	906	1,900	498	4,696	802	547	6,045
Miscellaneous	1,846	1,163	2,403	1,011	6,423	768	702	7,893
Postage	129	86	174	63	452	406	56	914
Printing	241	161	769	348	1,519	2,810	627	4,956
Public Relations Media	105	49	871	86	1,111	808	83	2,002
Rent	22,079	14,607	33,702	66,220	136,608	8,958	1,493	147,059
Security	192	123	288	575	1,178	82	14	1,274
Small Equipment	1,858	1,214	2,552	626	6,250	-	794	7,044
Supplies	961	632	3,508	341	5,442	525	611	6,578
Telephone	14	10	19	7	50	25	8	83
Travel	3,521	-	500	635	4,656	195	200	5,051
Utilities	2,012	1,307	2,779	5,708	11,806	872	710	13,388
Volunteer Appreciation	69	45	1,885	318	2,317	30	1,124	3,471
Total Expenses	<u>\$ 147,965</u>	<u>\$ 62,013</u>	<u>\$ 266,561</u>	<u>\$ 443,768</u>	<u>\$ 920,307</u>	<u>\$ 137,745</u>	<u>\$ 49,079</u>	<u>\$ 1,107,131</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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 260,391
Adjustments to reconcile Net Income (Loss) to net Cash Provided by (used in) operating activities:	
Depreciation and Amortization	9,891
Decrease (Increase) in Operating Assets	
Accounts Receivable	(23,757)
Prepaid Expenses	411
Right of Use Assets	132,165
(Decrease) Increase in Operating Liabilities	
Accounts Payable	3,878
Operating Lease Liability	(126,114)
Deferred Revenue	3,242
Total Adjustments	(284)
Net Cash Provided By (Used in) Operating Activities	260,107

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(9,852)
Net Purchases and Sales of Investments	(36,508)
Net Cash Provided By (Used In) Investing Activities	(46,360)

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

213,747

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

461,689

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 675,436

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2025

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, 2025, the Organization had net assets with and 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, 2025.

3. Donated Materials and Services

For the year ended June 30, 2025, in-kind donations were approximately \$20,193, 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 46 individual school partners, serving 3,490 children, teens and adults. In addition, 1,282 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 office assistance.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2025

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 2025. All grants are considered fully collectible and therefore, no allowance has been made for uncollectible amounts as of June 30, 2025.

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, 2025.

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 2025. 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 2023.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2025

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 Center has \$787,612 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$675,436, accounts and grants receivable of \$112,176, 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 Center 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 \$276,783. The Center 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 Center invests cash in excess of daily requirements in various short-term investments including, certificate of deposits and short-term treasury instruments.

12. Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2025
Subject to expenditure for specified purpose	
Donor-specified restrictions	\$ 150,000
Subject to passage of time	
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	\$ 100,000
	\$ 250,000

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2025
Undesignated	\$ 595,724
Designated by the Board for endowment	\$ 273,497
	\$ 869,221

Net Assets Released from Restrictions

Net assets were released from donor restrictions through the expiration of time restrictions during 2025.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2025

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, 2025, the Center has recognized a beneficial interest in assets held by others of \$273,497, 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, 2025, the market value of this fund was \$31,327.

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, 2025 were \$12,586.

NOTE D – LEASES

The Center adopted 2016-02 ASU 842 (accounting for leases). ASU 842 requires assets controlled by the company under lease agreements be recognized as a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less which are expensed on the income statement on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid on the commencement date, discounted using the interest rate implicit in the lease. If the rate is not readily determinable, the Center uses an incremental borrowing rate specific to the term of the contract. The lease liability is subsequently measured at the amortized cost using the effective interest rate method and re-measured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments.

At inception the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset. Interest expense is recognized on the lease liability. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

Operating Lease

The Center leases its headquarters facility. The lease term is from November 1, 2023 to October 31, 2026 at an 6% estimated incremental borrowing rate.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2025

	2025
Minimum operating lease payments payable	\$ 199,761
Less: portion representing interest to be recorded over the remaining lease terms	8,321
Sub-total	191,440
Less: Current portion	141,297
Long Term portion of operating leases payable	\$ 50,143

Minimum operating lease payments payable	2025
2026	148,985
2027	50,776
	199,761

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.

Calm Waters Center For Children and Families, Inc.
NOTES TO FINANCIAL STATEMENTS
As of and for the year ended June 30, 2025

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:

	2025			
Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value	
Investments	\$ 78,793	\$ 273,497	\$ -	\$ 352,290

NOTE F - SUBSEQUENT EVENTS

The Center has evaluated events or transactions that occurred subsequent to June 30, 2025 through February 6, 2026, the date these financial statements were issued, for potential recognition or disclosure in these financial statements.