THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS

FINANCIAL STATEMENTS WITH COMPLIANCE REPORTING

December 31, 2024 and 2023

Randy Walker & Co., Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Children's Bereavement Center of South Texas
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Children's Bereavement Center of South Texas (CBCST), a non-profit corporation, which comprise the statement of financial position as of December 31, 2024, 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 CBCST as of December 31, 2024, 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 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 CBCST 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 CBCST'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 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 generally accepted auditing standards 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 CBCST'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 CBCST'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on pages 18-19 on our consideration of CBCST'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 CBCST'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 CBCST'S internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited CBCST's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Randy Walker & Co.

San Antonio, Texas
March 25, 2025

Financial Statements

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 4,788,087**	$ 4,882,085
Accounts Receivable	**363,292**	377,624
Pledges Receivable, net - current	**20,000**	24,500
Prepaid Expenses	**36,944**	48,506
TOTAL CURRENT ASSETS	**5,208,323**	5,332,715
LONG-TERM ASSETS		
Investments	**2,852,658**	2,570,672
Property and Equipment, net	**4,573,368**	4,670,575
Pledges Receivable, net - long-term	**-**	15,639
Finance Lease Right-of-Use Assets, net	**60,851**	80,587
TOTAL LONG-TERM ASSETS	**7,486,877**	7,337,473
TOTAL ASSETS	**$ 12,695,200**	$ 12,670,188
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 54,267**	$ 54,015
Accrued Expenses	**47,176**	139,098
Deferred Income	**17,031**	55,009
Finance Lease Payable - current	**18,875**	18,875
TOTAL CURRENT LIABILITIES	**137,349**	266,997
LONG-TERM LIABILITIES		
Finance Lease Payable - long-term	**44,445**	63,320
TOTAL LONG-TERM LIABILITIES	**44,445**	63,320
TOTAL LIABILITIES	**181,794**	330,317
NET ASSETS		
Without Donor Restrictions:		
Undesignated	**3,937,900**	2,514,565
Board-Designated	**5,404,368**	5,501,575
Total Without Donor Restrictions	**9,342,268**	8,016,140
With Donor Restrictions	**3,171,138**	4,323,731
TOTAL NET ASSETS	**12,513,406**	12,339,871
TOTAL LIABILITIES AND NET ASSETS	**$ 12,695,200**	$ 12,670,188

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024
(summarized for 2023)

	2024			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2023 Total
OPERATING SUPPORT AND REVENUE				
Government Grants	$ -	$ 1,222,351	**$ 1,222,351**	$ 985,747
Grants and Foundations	739,630	415,000	**1,154,630**	1,170,317
General Contributions	866,228	6,000	**872,228**	894,086
Fundraising Events, net of direct expenses of $243,443 and $216,054, respectively	504,087	-	**504,087**	459,138
In-Kind Contributions	255,082	-	**255,082**	278,039
Program Fees	2,500	-	**2,500**	-
Grants and Contributions - Uvalde	-	-	**-**	418,582
Net Assets Released from Restrictions	2,797,803	(2,797,803)	**-**	-
TOTAL OPERATING SUPPORT AND REVENUE	5,165,330	(1,154,452)	**4,010,878**	4,205,909
OPERATING EXPENSES				
Program Services	3,608,793	-	**3,608,793**	4,068,330
Supporting Services	650,126	-	**650,126**	917,242
TOTAL OPERATING EXPENSES	4,258,919	-	**4,258,919**	4,985,572
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITIES	906,411	(1,154,452)	**(248,041)**	(779,663)
NON-OPERATING ACTIVITIES				
Investment Income, net	276,036	-	**276,036**	228,178
Interest Income	143,681	-	**143,681**	95,822
Capital Campaign Contributions	-	1,859	**1,859**	953
In-Kind Contributions - Uvalde Center Construction	-	-	**-**	568,099
TOTAL NON-OPERATING ACTIVITIES	419,717	1,859	**421,576**	893,052
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITIES	1,326,128	(1,152,593)	**173,535**	113,389
NET ASSETS, Beginning of Year	8,016,140	4,323,731	**12,339,871**	12,226,482
NET ASSETS, End of Year	$ 9,342,268	$ 3,171,138	**$ 12,513,406**	$ 12,339,871

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024
(summarized for 2023)

	Program Services			Supporting Services				
	CBC - Uvalde	CBC - San Antonio	Total Program Services	Fundraising	Management and General	Total Supporting Services	2024 Total	2023 Total
OPERATING EXPENSES								
Salaries and Related Expenses	$ 395,396	$ 1,920,388	$ 2,315,784	$ 162,955	$ 167,382	$ 330,337	**$ 2,646,121**	$ 2,447,461
Professional Fees	10,959	232,888	243,847	4,524	59,753	64,277	**308,124**	800,225
Depreciation	69,655	175,917	245,572	38,463	11,835	50,298	**295,870**	246,572
Contractual Services	93,084	61,035	154,119	23,843	15,168	39,011	**193,130**	241,653
IT	18,904	75,316	94,220	15,671	10,119	25,790	**120,010**	106,963
Office Supplies	10,986	81,329	92,315	1,738	2,416	4,154	**96,469**	90,715
Repairs and Maintenance	11,427	60,600	72,027	7,577	7,184	14,761	**86,788**	76,482
Supplies and Food	17,358	45,142	62,500	-	182	182	**62,682**	78,253
Professional Development	6,687	39,525	46,212	3,959	5,777	9,736	**55,948**	64,639
Insurance - Liability	9,665	32,635	42,300	4,067	5,942	10,009	**52,309**	44,982
Travel	33,633	13,081	46,714	451	2,960	3,411	**50,125**	41,216
Office Rent	2,348	32,907	35,255	-	3,102	3,102	**38,357**	53,980
Recognition	6,845	18,362	25,207	411	7,930	8,341	**33,548**	32,647
Marketing and Public Relations	815	27,409	28,224	342	-	342	**28,566**	99,551
Utilities	2,946	19,629	22,575	3,028	2,380	5,408	**27,983**	23,018
Printing and Publications	714	24,630	25,344	976	459	1,435	**26,779**	29,727
Miscellaneous	-	-	-	-	26,121	26,121	**26,121**	4
Telephone	4,120	15,227	19,347	1,654	1,041	2,695	**22,042**	18,224
Amortization	1,697	13,389	15,086	943	3,707	4,650	**19,736**	19,736
Dues, Fees and Subscriptions	872	5,774	6,646	8,050	4,155	12,205	**18,851**	17,890
Bank and Credit Card Fees	55	1	56	142	10,741	10,883	**10,939**	9,233
Events	-	10,446	10,446	184	-	184	**10,630**	8,068
Equipment	8	65	73	4	9,454	9,458	**9,531**	722
Charitable Contributions	122	203	325	-	8,575	8,575	**8,900**	358,204
Postage and Shipping	108	1,775	1,883	-	2,370	2,370	**4,253**	5,303
Interest Expense	272	2,360	2,632	151	242	393	**3,025**	3,913
Bad Debt Expense - Pledge	-	-	-	1,998	-	1,998	**1,998**	**-**
Symposiums and Trainings	-	84	84	-	-	-	**84**	1,155
Uvalde Set-Up Costs	-	-	-	-	-	-	**-**	32,697
Subgrant Expense	-	-	-	-	-	-	**-**	32,339
TOTAL OPERATING EXPENSES	$ 698,676	$ 2,910,117	$ 3,608,793	$ 281,131	$ 368,995	$ 650,126	**$ 4,258,919**	$ 4,985,572

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	**$ 173,535**	$ 113,389
Adjustments to Reconcile Net Change to Net Cash Provided by Operations:		
Depreciation	**295,870**	246,572
Amortization	**19,736**	19,736
Unrealized Gain on Investments	**(115,358)**	(226,442)
(Increase) Decrease in Assets:		
Accounts Receivable	**14,332**	(64,573)
Pledges Receivable, net	**20,139**	111,047
Prepaid Expenses	**11,562**	(11,772)
Increase (Decrease) in Liabilities:		
Accounts Payable	**252**	20,442
Accrued Expenses	**(91,922)**	20,032
Deferred Income	**(37,978)**	50,509
NET CASH PROVIDED BY OPERATING ACTIVITIES	**290,168**	278,940
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	**(166,628)**	(8,016)
Purchase of Property and Equipment	**(198,663)**	(386,378)
NET CASH USED BY INVESTING ACTIVITIES	**(365,291)**	(394,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Finance Lease Obligation	**(18,875)**	(18,116)
NET CASH USED BY FINANCING ACTIVITIES	**(18,875)**	(18,116)
NET DECREASE IN CASH FLOWS	**(93,998)**	(133,570)
CASH AND CASH EQUIVALENTS, Beginning of Year	**4,882,085**	5,015,655
CASH AND CASH EQUIVALENTS, End of Year	**$ 4,788,087**	$ 4,882,085
SUPPLEMENTAL DISCLOSURES		
Interest Paid	**$ 3,025**	$ 3,913

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The financial statements of The Children's Bereavement Center of South Texas (CBCST) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization and Nature of Activities

CBCST was organized in Texas on February 20, 1997 as a 501(c)(3) non-profit corporation. CBCST provides support groups, counseling, and community awareness programs, and it produces educational material directed towards children who have experienced trauma from the death of a loved one. CBCST's mission is to foster healing for grieving youth, their families and the community through peer support programs, counseling, training, education and outreach.

The Children's Bereavement Center of South Texas Foundation (the Foundation) was organized in Texas on January 23, 2020 as a 501(c)(3) supporting organization. The Foundation operates exclusively for the benefit of CBCST and to carry out and support the general charitable purposes of CBCST.

In June 2022, CBCST opened a center in Uvalde, Texas to assist with the response efforts for the school shooting at Robb Elementary. CBCST completed the renovations to the center in 2023.

Basis of Presentation

CBCST is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors (the Board) are reported as net assets without donor restrictions, board-designated.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that are more restrictive than CBCST's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. 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 those resources be maintained in perpetuity.

Income Taxes

CBCST is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, as such, qualifies for the maximum charitable contribution deduction by donors. As of December 31, 2024, the tax years that remain subject to examination by taxing authorities begin with 2021.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CBCST considers all highly liquid savings and securities with a maturity of three months or less to be cash equivalents.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable consists of unconditional gifts from donors and reimbursements from state and local agencies that management considers to be fully collectible. Therefore, no allowance has been established. CBCST had accounts receivable of $363,292 and $377,624 at December 31, 2024 and 2023, respectively.

Pledges Receivable

CBCST recognizes promises to give, also known as pledges, in the financial statements when there is sufficient evidence in the form of verifiable documentation that a promise was made and received.

Property and Equipment

Purchased property and equipment are stated at cost. Donated assets are recorded at estimated market value at the date of donation. CBCST capitalizes all property and equipment with a cost greater than or equal to $5,000 and a useful life of at least three years. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Building	39 years
Building and Leasehold Improvements	5 to 7 years
Computer Equipment and Software	3 to 10 years
Furniture and Equipment	3 to 10 years
Vehicles	5 years
Website and Database	5 years

Contributions and Grants

CBCST records contributions and grants in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* Contributions and grants are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets or funds. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue - Exchange Transactions

CBCST recognizes revenue related to exchange transactions in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* Fundraising and program fees revenues from exchange transactions are deferred from recognition until the event or program has occurred. Revenue is recorded at the close of the event or program when the performance obligation has been completed. Revenue is accrued for fundraising events that have been planned but have not occurred as of year-end. Any amounts received in excess of the benefit provided to the attendees is recorded as a contribution. Consideration is variable depending upon the nature of the event or program. There were no receivables or contract assets related to these exchange transactions at December 31, 2024, December 31, 2023, or January 1, 2023. Disaggregation of revenue is presented on the face of the statement of activities.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

Revenue - Exchange Transactions (continued)

Contract liabilities consist primarily of amounts received in connection with CBCST's fundraising events that will take place in future periods. Contract balances for exchange transactions related to deferred income were as follows for the years ended December 31:

	2024	2023
Beginning of Year	**$ 55,009**	$ 4,500
End of Year	**$ 17,031**	$ 55,009

Advertising Costs

Advertising costs are expensed as incurred and are classified as marketing and public relations expense in the statement of functional expenses. Advertising costs for the years ended December 31, 2024 and 2023 were $28,566 and $99,551, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and general and administrative expenses have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, which are allocated on the basis of estimates of time and effort, as well as depreciation, professional fees, and other operating expenses, which are allocated on the basis of square footage or some other reasonable basis.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases

CBCST may have lease agreements that contain both lease and non-lease components as defined by Accounting Standards Codification (ASC) 842. CBCST has elected the practical expedient, by class of underlying asset, to account for the lease and non-lease components as a single lease component. The underlying asset includes copier and printer machines recognized as right-of-use assets in the statements of financial position.

As CBCST's leases do not provide an implicit rate, a risk-free rate is used based on the information available at commencement date in determining the present value of lease payments. The risk-free rate is the rate of a zero-coupon U.S. Treasury instrument for the same period of time as the lease term.

NOTE 2 – CONCENTRATION OF CREDIT RISK

CBCST maintains its cash and investment balances in several accounts at multiple financial institutions. The Federal Deposit Insurance Corporation insures cash balances up to $250,000 per bank, while the Securities Investor Protection Corporation insures the balances in investment accounts up to $500,000. At December 31, 2024 and 2023, CBCST's uninsured cash and investment balances totaled $6,687,236 and $6,379,786, respectively, without consideration of reconciling items.

NOTE 3 – INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Investment income totaled $276,036 and $228,178 for the years ended December 31, 2024 and 2023, respectively. Investment income is reported net of fees of $2,318 and $2,185 for the years ended December 31, 2024 and 2023, respectively.

NOTE 4 – PLEDGES RECEIVABLE

In accordance with *Accounting for Contributions Received and Contributions Made,* pledges have been reduced by management's estimate of the uncollectible portion of these pledges and discounted to their present value using a risk-free rate of return of 5% as of December 31, in the year in which the pledge was made.

Pledges receivable consisted of the following at December 31:

	2024	2023
Pledges Restricted For:		
Capital Campaign	**$ 20,000**	$ 41,998
Less Unamortized Discount	**-**	(1,859)
Net Pledges Receivable	**$ 20,000**	$ 40,139
Amount Due In:		
Less than One Year	**$ 20,000**	$ 24,500
One to Three Years	**-**	15,639
Total	**$ 20,000**	$ 40,139

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024	2023
Building – 205 and 215 W. Olmos	**$ 5,230,271**	$ 5,230,271
Furniture and Equipment	**434,328**	260,885
Land	**177,748**	177,748
Leasehold Improvements – Uvalde	**362,236**	337,016
Vehicles	**80,996**	80,996
Computer Equipment and Software	**44,156**	44,156
Database	**47,250**	47,250
Website	**35,398**	35,398
	6,412,383	6,213,720
Less Accumulated Depreciation	**(1,839,015)**	(1,543,145)
Total Property and Equipment, net	**$ 4,573,368**	$ 4,670,575

Depreciation expense for the years ended December 31, 2024 and 2023 was $295,870 and $246,572, respectively.

NOTE 6 – LINE OF CREDIT

In March 2024, CBCST renewed the line of credit of $200,000 with Frost Bank. The line has a variable interest rate and matures on March 30, 2026. The line is secured by CBCST's assets. There were no borrowings on this line of credit as of December 31, 2024.

NOTE 7 – RIGHT-OF-USE FINANCE LEASE

CBCST entered into a finance lease agreement in November 2022 for copier and printer machines. The lease is payable in 63 monthly installments of $1,825 and expires in January 2028. The right-of-use leased equipment was carried at cost of $103,612 less accumulated amortization of $42,761 and $23,025 at December 31, 2024 and 2023, respectively. The balance of the equipment lease payable was $63,320 and $82,195 at December 31, 2024 and 2023, respectively. Interest expense related to this lease was $3,025 and $3,913 for the years ended December 31, 2024 and 2023, respectively.

The related future minimum lease payments under this right-of-use finance lease are as follows:

Year Ending December 31,		
2025	$	21,900
2026		21,900
2027		21,900
2028		1,825
		67,525
Less: Interest (4.11%)		(4,205)
Total	$	63,320

NOTE 8 – BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Board-designated net assets without donor restrictions were for the following purposes at December 31:

	2024	2023
Future Operations	**$ 775,000**	$ 775,000
Short-Term Reserve Fund	**56,000**	56,000
Investment in Fixed Assets	**4,573,368**	4,670,575
Total	**$ 5,404,368**	$ 5,501,575

NOTE 9 – FUNDRAISING EVENTS

CBCST holds fundraising events each year. As discussed in Note 1, fundraising events are considered exchange transactions. For the years ended December 31, 2024 and 2023, the exchange portion of the fundraising events income was $151,639 and $122,773, respectively. The amount in excess of this exchange portion is considered contribution income.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were for the following purposes at December 31:

	2024	2023
Uvalde Support – General	**$ 1,985,667**	$ 2,491,450
Facility Maintenance	**952,084**	950,225
Uvalde Support – Renovations	**118,161**	133,381
Sibling Group	**62,500**	62,500
School-Based Groups	**40,000**	94,000
Sunshine Fund	**12,726**	9,351
Future Operations	**-**	513,425
Community Expansion	**-**	37,499
Self-Care and Organization Wellness Practice/Policy	**-**	16,900
Risk Assessment and Gap Analysis	**-**	15,000
Total	**$ 3,171,138**	$ 4,323,731

NOTE 11 – IN-KIND CONTRIBUTIONS

CBCST reports contributed goods and services in accordance with ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* CBCST receives various forms of in-kind donations, including goods and services from the community. In-kind donations are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. The value for donated services is based on conservative hourly rates determined by management from current market rates in relation to the type of service received. Contributed goods are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

Contributed goods and services were as follows for the years ended December 31:

	2024	2023
In-Kind Goods:		
Auction Items	**$ 111,064**	$ 72,273
Food	**17,041**	31,193
Supplies	**7,794**	8,349
Books and Toys	**9,632**	12,286
Furniture and Art	**700**	10,300
Gift Cards/Discounts	**-**	660
	146,231	135,061
In-Kind Services:		
Counseling	**207,981**	156,901
Legal	**11,934**	105
Uvalde Center Construction and Project Management	**-**	568,099
Advertising	**-**	40,606
Rent	**-**	15,638
Other	**-**	2,000
	219,915	783,349
Total In-Kind Goods and Services	**$ 366,146**	$ 918,410

NOTE 11 – IN-KIND CONTRIBUTIONS (continued)

In-kind contributions are reflected in the statement of activities and did not have donor restrictions for the years ended December 31, 2024 and 2023. Donated auction items of $111,064 and $72,273 related to fundraising activities are included in fundraising events revenue - net of direct expenses in the statement of activities and did not have donor restrictions for the years ended December 31, 2024 and 2023, respectively. Additionally, a substantial number of unpaid volunteers have made significant contributions of their time to CBCST. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

NOTE 12 – RETIREMENT PLAN

CBCST has a retirement plan, which is available to all employees. Employee contributions are matched by CBCST up to 3% of the employee's annual compensation. Employer contributions to the plan were $32,421 and $30,483 for the years ended December 31, 2024 and 2023, respectively.

NOTE 13 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, CBCST made contributions to the Foundation of $-0- and $273,226, respectively. These amounts were recorded as charitable contributions by CBCST.

During the years ended December 31, 2024 and 2023, CBCST made contributions to CBC-RGV of $2,000 and $62,750, respectively. CBCST sub-granted $-0- and $32,339 to CBC-RGV during the years ended December 31, 2024 and 2023, respectively.

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following reflects CBCST's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions and internal designations that are amounts set aside for operating and other reserves that could be drawn upon if the Board approves that action.

	2024	2023
Cash and Cash Equivalents	**$ 4,788,087**	$ 4,882,085
Investments	**2,852,658**	2,570,672
Accounts Receivable	**363,292**	377,624
Pledge Receivables, net - current	**20,000**	24,500
Total Financial Assets	**8,024,037**	7,854,881
Board Designations:		
Future Operations	**(775,000)**	(775,000)
Short-Term Reserve Fund	**(56,000)**	(56,000)
Donor Restrictions	**(3,171,138)**	(4,323,731)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	**$ 4,021,899**	$ 2,700,150

CBCST's primary sources of cash flows are grants and contributions from foundations, individuals and corporations. CBCST has a consistent inflow of cash throughout the year to cover normal operating expenses.

NOTE 15 – PRIOR YEAR RECLASSIFICATION

A reclassification was made between certain revenue accounts, as previously reported in the December 31, 2023 financial statements, in order to conform to the December 31, 2024 presentation. This reclassification had no effect on the total net assets or change in net assets for the year ended December 31, 2023.

NOTE 16 – PROGRAM SERVICES

CBCST's purpose is to help children and families who have experienced the death of someone significant in their lives. In addition to on-going support groups and counseling, CBCST provides training, crisis intervention, and consultation services to individuals, schools, churches, and various types of community agencies. The following tables reflect statistics of services provided to the public at large during the years ended December 31, 2024 and 2023.

Services provided for the year ended December 31, 2024:

	Unduplicated Participants	Program Service Visits
Peer Support program		
Children and youth served	406	2,200
Adult caregivers served	299	1,507
Total peer support program	705	3,707
Individual and family counseling program		
Children and youth served	362	3,165
Adult caregivers served	104	862
Total served under counseling program	466	4,027
Intakes and assessments		
Children and youth served	787	1,233
Adult caregivers served	607	962
Total family assessments	1,394	2,195
Camps		
Camp participants	123	503
Total camps	123	503
School-based program		
Children and youth served	243	2,030
Adult caregivers served	5	25
Total school-based program	248	2,055
Family workshops and activities *	-	-
Total bereavement program services *	2,688	12,487
Community outreach services		
Training, education and outreach	800	53
Total for all programs and services *	3,488	12,540

* Total omits duplicate participants

NOTE 16 – PROGRAM SERVICES (continued)

Services provided for the year ended December 31, 2023:

	Unduplicated Participants	Program Service Visits
Peer Support program		
Children and youth served	423	2,211
Adult caregivers served	319	1,591
Total peer support program	742	3,802
Individual and family counseling program		
Children and youth served	389	3,520
Adult caregivers served	147	1,096
Total served under counseling program	536	4,616
Intakes and assessments		
Children and youth served	1,015	1,564
Adult caregivers served	773	1,205
Telephone calls/consults	2,588	387
Total family assessments	4,376	3,156
Camps		
Camp participants	110	457
Total camps	110	457
School-based program		
Children and youth served	271	2,265
Adult caregivers served	34	11
Total school-based program	305	2,276
Family workshops and activities *	9,657	121
Total bereavement program services *	15,421	14,428
Community outreach services		
Training, education and outreach	750	40
Total for all programs and services *	16,171	14,468

* Total omits duplicate participants

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS

CBCST follows the provisions of ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

CBCST's current assets and liabilities as presented in the statements of financial position are Level 1. CBCST does not have Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

CBCST's financial instruments also include investments. The fair values of investments are based on quoted market prices for those or similar investments.

The following table represents assets measured at fair value on a recurring basis as reported in the statement of financial position at December 31, 2024 by level within the fair value measurement hierarchy:

	Total Fair Value Measurement	**Level 1**	**Level 2**	**Level 3**
Financial Assets:				
Cash	**$ 141**	**$ 141**	**$ -**	**$ -**
Equities	**2,068,301**	**2,068,301**	**-**	**-**
Fixed Income	**784,216**	**784,216**	**-**	**-**
Total	**$ 2,852,658**	**$ 2,852,658**	**$ -**	**$ -**

The following table represents assets measured at fair value on a recurring basis as reported in the statement of financial position at December 31, 2023 by level within the fair value measurement hierarchy:

	Total Fair Value Measurement	Level 1	Level 2	Level 3
Financial Assets:				
Cash	$ 282	$ 282	$ -	$ -
Equities	1,809,439	1,809,439	-	-
Fixed Income	760,951	760,951	-	-
Total	$ 2,570,672	$ 2,570,672	$ -	$ -

NOTE 18 – SUBSEQUENT EVENTS

CBCST has evaluated subsequent events through March 25, 2025, which is the date the financial statements were available to be issued.

Other Reporting Required

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Certified Public Accountants

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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*

Board of Directors
The Children's Bereavement Center of South Texas
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Children's Bereavement Center of South Texas (CBCST), a non-profit corporation, which comprise the statement of financial position as of December 31, 2024, 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 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CBCST'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 CBCST's internal control. Accordingly, we do not express an opinion on the effectiveness of CBCST'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 the entity'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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CBCST'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*.

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

Randy Walker & Co.

San Antonio, Texas
March 25, 2025