THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS

Financial Statements,
Independent Auditor's Report,
and Compliance Reporting

December 31, 2025 and 2024

Calvetti Ferguson

Index

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Advising beyond accounting

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Children's Bereavement Center of South Texas ("CBCST"), a nonprofit corporation, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, CBCST's financial position as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 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.

Management's Responsibilities 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 that, considered in the aggregate, raise substantial doubt about CBCST's ability to continue as a going concern for one year after the date the financial statements are 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; as such, it 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, misrepresentations, intentional omissions, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 CBCST's internal control. Accordingly, we express no such opinion.
- 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 that, considered in the aggregate, raise substantial doubt about CBCST's ability to continue as a going concern for a reasonable period of time.

We are also 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 , and presented herein on pages 19-20, on our consideration of CBCST's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Other Matter

CBCST's financial statements as of and for the year ended December 31, 2024, were audited by Randy Walker & Co., an accounting firm acquired by Calvetti Ferguson on August 1, 2025. The audit report for those financial statements, which was issued by Randy Walker & Co. on March 25, 2025, expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Calvetti Ferguson

San Antonio, Texas
June 15, 2026

Financial Statements

The Children's Bereavement Center of South Texas

Statements of Financial Position
As of December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 6,072,656	$ 4,788,087
Investment income receivable	181,490	-
Accounts receivable	262,708	363,292
Pledges receivable, net	-	20,000
Prepaid expenses	101,007	36,944
Total current assets	6,617,861	5,208,323
Noncurrent assets:		
Investments	2,955,188	2,852,658
Property and equipment, net	4,317,965	4,573,368
Finance lease right-of-use assets, net	41,115	60,851
Total noncurrent assets	7,314,268	7,486,877
Total Assets	**$ 13,932,129**	**$ 12,695,200**
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 74,121	$ 54,267
Accrued liabilities	212,198	47,176
Deferred income	13,875	17,031
Finance lease payable - current	20,489	18,875
Total current liabilities	320,683	137,349
Noncurrent liabilities:		
Finance lease payable - noncurrent	23,166	44,445
Total noncurrent liabilities	23,166	44,445
Total liabilities	343,849	181,794
Net assets:		
Without donor restrictions		
Undesignated	4,762,775	3,937,900
Board-designated	5,148,965	5,404,368
Total without donor restrictions	9,911,740	9,342,268
With donor restrictions	3,676,540	3,171,138
Total net assets	13,588,280	12,513,406
Total Liabilities and Net Assets	**$ 13,932,129**	**$ 12,695,200**

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, 2025 (summarized for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Operating support and revenue:				
Foundation grants	$ 1,220,995	$ 393,023	$ 1,614,018	$ 1,154,630
Government grants	-	1,216,798	1,216,798	1,222,351
Grants and contributions - Hill Country	-	1,111,916	1,111,916	-
General contributions	955,426	-	955,426	872,228
Fundraising revenue (net of direct expenses of $259,770 and $243,443, respectively)	470,219	-	470,219	504,087
Grants and contributions - Uvalde	-	159,068	159,068	-
In-kind contributions	119,605	-	119,605	255,082
Program fees	3,762	-	3,762	2,500
Net assets released from restrictions	2,375,403	(2,375,403)	-	-
Total operating support and revenue	5,145,410	505,402	5,650,812	4,010,878
Operating expenses:				
Program	4,154,161	-	4,154,161	3,608,793
General and administrative	848,842	-	848,842	650,126
Total operating expenses	5,003,003	-	5,003,003	4,258,919
Change in net assets before non-operating activities	142,407	505,402	647,809	(248,041)
Non-operating activities:				
Investment income, net	263,214	-	263,214	276,036
Interest income	163,851	-	163,851	143,681
Capital campaign contributions	-	-	-	1,859
Total non-operating activities	427,065	-	427,065	421,576
Change in net assets after non-operating activities	569,472	505,402	1,074,874	173,535
Net assets, beginning of year	9,342,268	3,171,138	12,513,406	12,339,871
Net Assets, End of Year	**$ 9,911,740**	**$ 3,676,540**	**$ 13,588,280**	**$ 12,513,406**

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, 2025 (summarized for 2024)

	Program Services				Supporting Services				
	CBC - Uvalde	CBC - San Antonio	CBC - Hill Country	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total 2025	Total 2024
Operating expenses:									
Payroll expenses:									
Salaries and wages	$ 466,741	$ 1,957,762	$ 103,346	$ 2,527,849	$ 161,885	$ 210,787	$ 372,672	$ 2,900,521	$ 2,253,617
Employee benefits	43,247	228,192	9,548	280,987	10,777	11,329	22,106	303,093	207,460
Payroll taxes	37,477	156,874	8,511	202,862	12,689	14,180	26,869	229,731	185,044
Total payroll expenses	547,465	2,342,828	121,405	3,011,698	185,351	236,296	421,647	3,433,345	2,646,121
Depreciation	70,920	177,299	-	248,219	41,907	32,236	74,143	322,362	295,870
Professional fees	14,167	129,176	2,197	145,540	4,801	63,087	67,888	213,428	308,124
IT	28,348	108,526	8,458	145,332	14,975	4,499	19,474	164,806	120,010
Contractual services	975	35,835	4,315	41,125	74,156	31,718	105,874	146,999	193,130
Repairs and maintenance	12,267	80,018	518	92,803	1,100	19,923	21,023	113,826	86,788
Supplies and food	15,923	68,986	8,872	93,781	263	-	263	94,044	62,682
Insurance - liability	11,871	39,169	972	52,012	3,697	8,727	12,424	64,436	52,309
Office supplies	1,203	55,271	5,613	62,087	-	46	46	62,133	96,469
Miscellaneous	-	1,834	-	1,834	136	48,563	48,699	50,533	26,121
Professional development	4,927	27,061	5,247	37,235	1,489	8,175	9,664	46,899	55,948
Marketing and public relations	1,324	36,479	6,429	44,232	-	-	-	44,232	28,566
Recognition	1,557	23,856	547	25,960	3,225	3,980	7,205	33,165	33,548
Office rent	1,905	26,114	-	28,019	-	3,686	3,686	31,705	38,357
Travel	2,874	18,606	9,927	31,407	-	-	-	31,407	50,125
Utilities	3,169	20,384	272	23,825	2,441	2,725	5,166	28,991	27,983
Telephone	4,545	15,288	453	20,286	1,261	947	2,208	22,494	22,042
Printing and publications	1,206	17,284	-	18,490	1,189	1,685	2,874	21,364	26,779
Amortization	-	-	46	46	-	19,690	19,690	19,736	19,736
Bank and credit card fees	34	3,866	3,714	7,614	1,365	7,728	9,093	16,707	10,939
Events	-	10,276	-	10,276	-	-	-	10,276	10,630
Dues, fees and subscriptions	502	4,830	-	5,332	546	3,262	3,808	9,140	18,851
Charitable contributions	-	-	-	-	-	7,758	7,758	7,758	8,900
Postage and shipping	98	3,294	-	3,392	50	3,052	3,102	6,494	4,253
Equipment	-	2,542	252	2,794	848	-	848	3,642	9,531
Interest expense	-	-	-	-	-	2,235	2,235	2,235	3,025
Symposiums and trainings	-	822	-	822	-	24	24	846	84
Bad debt expense - pledge	-	-	-	-	-	-	-	-	1,998
Total Operating Expenses	**$ 725,280**	**$ 3,249,644**	**$ 179,237**	**$ 4,154,161**	**$ 338,800**	**$ 510,042**	**$ 848,842**	**$ 5,003,003**	**$ 4,258,919**

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, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 1,074,874	$ 173,535
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	322,362	295,870
Amortization	19,736	19,736
Net realized and unrealized gain on investments	(84,125)	(115,358)
Changes in operating assets and liabilities		
Investment income receivable	(181,490)	-
Accounts receivable	100,584	14,332
Pledges receivable, net	20,000	20,139
Prepaid expenses	(64,063)	11,562
Accounts payable	19,854	252
Accrued expenses	165,022	(91,922)
Deferred income	(3,156)	(37,978)
Net cash provided by operating activities	1,389,598	290,168
Cash flows from investing activities:		
Net purchase of investments	(18,405)	(166,628)
Purchase of property and equipment	(66,959)	(198,663)
Net cash used in investing activities	(85,364)	(365,291)
Cash flows from financing activities:		
Payments on finance lease obligation	(19,665)	(18,875)
Net cash used in financing activities	(19,665)	(18,875)
Net change in cash flows	1,284,569	(93,998)
Cash and cash equivalents, beginning of year	4,788,087	4,882,085
Cash and Cash Equivalents, End of Year	**$ 6,072,656**	**$ 4,788,087**
Supplemental cash flow information:		
Interest paid	$ 2,235	$ 3,025

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

Note 1 - Nature of Activities

The Children's Bereavement Center of South Texas ("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 CBCST. 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.

In July 2025, CBCST began offering services in the Texas Hill Country to support those impacted by the flood disaster.

Note 2 - Summary of Significant Accounting Policies

The accompanying statements of CBCST have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

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 that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

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 2 - Summary of Significant Accounting Policies (continued)

Investment Income Receivable

Investment income receivable consists of accrued interest and other investment earnings that have been earned but not yet received in cash as of year-end. Management has evaluated the collectability of this receivable and has determined that it is fully collectible; accordingly, no allowance for doubtful accounts has been recorded. Investment income receivable totaled $181,490 and $-0- at December 31, 2025 and 2024, respectively.

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 for doubtful accounts has been recorded. CBCST had accounts receivable of $262,708 and $363,292 at December 31, 2025 and 2024, 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

Investments

Purchased securities are reported at market value. Donated securities are recorded at market value at date of donation. All realized and unrealized gains and losses, dividends, interest, and fees are reported as investment income in the accompanying statement of activities. Investment income totaled $263,214 and $276,036 for the years ended December 31, 2025 and 2024, respectively. Investment income is reported net of fees of $2,422 and $2,318 for the years ended December 31, 2025 and 2024, respectively.

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 assets include copier and printer machines recognized as right-of-use assets in the statements of financial position.

Note 2 - Summary of Significant Accounting Policies (continued)

Leases (continued)

As CBCST's lease does 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.

Grants and Contributions

CBCST records grants and contributions 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.* Grants and contributions 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, 2025, December 31, 2024, or January 1, 2024. Disaggregation of revenue is presented on the face of the statement of activities.

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:

	2025	2024
Beginning of year	$ 17,031	$ 55,009
End of year	$ 13,875	$ 17,031

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 among 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2025, the tax years that remain subject to examination by taxing authorities begin with 2022.

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, 2025 and 2024 were $44,232 and $28,566, respectively.

Note 3 - 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, 2025 and 2024, CBCST's uninsured cash and investment balances totaled $7,918,333 and $6,687,236, respectively, without consideration of reconciling items.

Note 4 - Fair Value of Financial Instruments

CBCST follows the provisions of ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 applies to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market of the investment at the measurement date.

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 includes investments. The fair value of investments is based upon quoted market prices for those or similar investments.

Note 4 - Fair Value of Financial Instruments (continued)

The following table represents investments measured at fair value on a recurring basis as reported in the statement of financial position as of December 31, 2025 by level within the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash	$ 396	$ -	$ -	$ 396
Equities	2,106,582	-	-	2,106,582
Fixed income	848,210	-	-	848,210
Total	$ 2,955,188	$ -	$ -	$ 2,955,188

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

	Level 1	Level 2	Level 3	Total
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

Note 5 - 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:

	2025	2024
Pledges restricted for:		
Capital campaign	$ -	$ 20,000
Less unamortized discount	-	-
Net pledges receivable	$ -	$ 20,000
Amount due in:		
Less than one year	$ -	$ 20,000
One to three years	-	-
Total	$ -	$ 20,000

Note 6 - Property and Equipment

Property and equipment were comprised of the following at December 31:

	2025	2024
Building – 205 and 215 W. Olmos	$ 5,228,168	$ 5,230,271
Furniture and equipment	503,390	434,328
Land	177,748	177,748
Leasehold improvements – Uvalde	362,236	362,236
Vehicles	80,996	80,996
Computer equipment and software	44,156	44,156
Database	47,250	47,250
Website	35,398	35,398
	6,479,342	6,412,383
Less: accumulated depreciation	(2,161,377)	(1,839,015)
Total property and equipment, net	$ 4,317,965	$ 4,573,368

Depreciation expense for the years ended December 31, 2025 and 2024 was $322,362 and $295,870, respectively.

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 $62,497 and $42,761 at December 31, 2025 and 2024, respectively. The balance of the equipment lease payable was $43,655 and $63,320 at December 31, 2025 and 2024, respectively. Interest expense related to this lease was $2,235 and $3,025 for the years ended December 31, 2025 and 2024, respectively.

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

Year ending December 31,	
2026	$ 21,900
2027	21,900
2028	1,825
	45,625
Less: interest (4.11%)	(1,970)
Total	$ 43,655

Note 7 - Right-of-Use Finance Lease (continued)

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

	2025	2024
Weighted average remaining lease term (years)		
Finance lease	2.08	3.08
Weighted average discount rate		
Finance lease	4.11%	4.11%

Note 8 - 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, 2025 and 2024.

Note 9 - Board-Designated Net Assets Without Donor Restrictions

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

	2025	2024
Future operations	$ 775,000	$ 775,000
Short-term reserve fund	56,000	56,000
Investment in fixed assets	4,317,965	4,573,368
Total	$ 5,148,965	$ 5,404,368

Note 10 - Net Assets With Donor Restrictions

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

	2025	2024
Uvalde support – general	$ 1,544,649	$ 1,985,667
Facility maintenance	952,084	952,084
Uvalde support – renovations	118,161	118,161
Sibling group	62,500	62,500
School-based groups	40,311	40,000
Sunshine fund	15,756	12,726
Hill Country support	932,679	-
Playground shade	10,400	-
Total	$ 3,676,540	$ 3,171,138

Note 11 - Contributed Goods and Services

CBCST reports contributed goods and services in accordance with ASU 2020-07, *Presentation and Disclosures by Non-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:

	2025	2024
In-kind goods:		
Auction items	$ 81,813	$ 111,064
Food	18,215	17,041
Supplies	-	7,794
Books and toys	10,680	9,632
Art supplies	630	700
Gift cards/discounts	3,886	-
	115,224	146,231
In-kind services:		
Counseling	76,414	207,981
Legal	9,780	11,934
	86,194	219,915
Total In-kind goods and services	$ 201,418	$ 366,146

In-kind contributions of $119,605 and $255,082 are reflected in the statement of activities and did not have donor restrictions for the years ended December 31, 2025 and 2024, respectively. Donated auction items of $81,813 and $111,064 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, 2025 and 2024, 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 - Fundraising events

CBCST holds fundraising events each year. As discussed in Note 2, fundraising events are considered exchange transactions. For the years ended December 31, 2025 and 2024, the exchange portion of the fundraising events income was $119,163 and $151,639, respectively. The amount in excess of this exchange portion is considered contribution income.

Note 13 - 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 $33,758 and $32,421 for the years ended December 31, 2025 and 2024, 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.

	2025	2024
Cash and cash equivalents	$ 6,072,656	$ 4,788,087
Investments	2,955,188	2,852,658
Investment income receivable	181,490	-
Accounts receivable	262,708	363,292
Pledges receivable, net	-	20,000
Total financial assets	9,472,042	8,024,037
Board designations:		
Future operations	(775,000)	(775,000)
Short-term reserve fund	(56,000)	(56,000)
Donor restrictions	(3,676,540)	(3,171,138)
Financial assets available to meet cash needs for expenditures within one year	$ 4,964,502	$ 4,021,899

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

Note 15 - 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, 2025 and 2024.

Services provided for the year ended December 31, 2025:

	Unduplicated Participants	Therapeutic Encounters
Peer Support program		
Children and youth served	172	6,024
Adult caregivers served	269	12,638
Total peer support program	441	18,661
Individual and family counseling program		
Children and youth served	355	6,403
Adult caregivers served	88	920
Total served under counseling program	443	7,323
Intakes and assessments		
Children and youth served	1,108	3,493
Adult caregivers served	741	1,903
Total family assessments	1,849	5,396
Camps		
Camp participants	82	4,059
Total camps	82	4,059
School-based program		
Children and youth served	351	5,630
Adult caregivers served	217	504
Total school-based program	568	6,134
Family workshops and activities *	-	-
Total bereavement program services *	2,592	44,591
Community outreach services		
Training, education and outreach	1,002	53
Total for all programs and services *	3,594	44,644

* Total omits duplicate participants

Note 15 - Program Services (continued)

Services provided for the year ended December 31, 2024:

	Unduplicated Participants	Therapeutic Encounters
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 - Subsequent Events

CBCST has evaluated subsequent events through June 15, 2026, the date the financial statements were available to be issued.

Other Reporting Required

Calvetti Ferguson
Advising beyond accounting

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
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 ("GAAS") 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, 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 June 15, 2026.

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 express no such 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 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 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 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.

Calvetti Ferguson

San Antonio, Texas
June 15, 2026