Circle of Care, Inc.

Financial Statements

December 31, 2025 and 2024
(With Independent Auditors' Report Thereon)

F&C CPAs

CIRCLE OF CARE, INC.

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Circle of Care, Inc.
Oklahoma City, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Circle of Care, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

Auditors' 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 auditors' 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 the Organization'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 the Organization'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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of state awards and of revenues and expenditures by function and funding source are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedules of state awards and of revenues and expenditures by function and funding source are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2026, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Finley & Cook, PLLC

Shawnee, Oklahoma
June 5, 2026

CIRCLE OF CARE, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,	*2025*	*2024*
Assets		
Cash and cash equivalents	$ 12,287,366	11,935,067
Accounts receivable	408,688	378,919
Prepaid expenses and other assets	344,990	343,341
Inventory	97,091	52,195
Investments	38,229,099	36,529,162
Property and equipment, net	5,869,388	4,693,315
Operating lease right-of-use assets	72,689	72,490
Total assets	$ 57,309,311	54,004,489
Liabilities and Net Assets		
Accounts payable	$ 412,361	211,223
Accrued wages and vacation	128,558	94,973
Operating lease obligations	72,689	72,490
Total liabilities	613,608	378,686
Net assets:		
Without donor restrictions:		
Undesignated	12,205,798	9,839,212
Board-designated for specified purpose	2,795,409	3,094,085
Total without donor restrictions	15,001,207	12,933,297
With donor restrictions:		
Restricted in perpetuity—endowment	39,469,121	37,661,010
Restricted for specified purpose	2,225,375	3,031,496
Total with donor restrictions	41,694,496	40,692,506
Total net assets	56,695,703	53,625,803
Total liabilities and net assets	$ 57,309,311	54,004,489

See Independent Auditors' Report.
See accompanying notes to financial statements.

CIRCLE OF CARE, INC.

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains:			
Revenues from customers:			
State contract services	$ 2,611,341	-	2,611,341
Other state contract services	295,660	-	295,660
Contributions of cash and other financial assets	1,146,857	230,341	1,377,198
Church giving	220,071	-	220,071
Investment income, net	1,154,079	3,601,180	4,755,259
Loss on disposal of property and equipment	(138,238)	-	(138,238)
Other revenues	207,236	-	207,236
Net assets released from restrictions:			
Pursuant to endowment appropriations	1,592,180	(1,592,180)	-
Satisfaction of purpose restriction	1,237,351	(1,237,351)	-
Total revenues, support, and gains	8,326,537	1,001,990	9,328,527
Expenses:			
Program services:			
Beyond	75,025	-	75,025
Counseling	695,889	-	695,889
Fatherhood	235,845	-	235,845
Foster Care	2,431,403	-	2,431,403
Home Study	270,036	-	270,036
Parent to Parent	295,057	-	295,057
Pearl's Hope	336,568	-	336,568
Preparation for Adult Living	243,648	-	243,648
Total program services	4,583,471	-	4,583,471
Supporting services:			
Executive and administration	1,345,269	-	1,345,269
Fundraising	329,887	-	329,887
Total supporting services	1,675,156	-	1,675,156
Total expenses	6,258,627	-	6,258,627
Changes in net assets	2,067,910	1,001,990	3,069,900
Net assets, beginning of year	12,933,297	40,692,506	53,625,803
Net assets, end of year	$ 15,001,207	41,694,496	56,695,703

See Independent Auditors' Report.
See accompanying notes to financial statements.

CIRCLE OF CARE, INC.

STATEMENTS OF ACTIVITIES, CONTINUED

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains:			
Revenues from customers:			
State contract services	$ 2,255,460	-	2,255,460
Other state contract services	301,791	-	301,791
Contributions of cash and other financial assets	1,079,274	615,398	1,694,672
Church giving	337,158	-	337,158
Investment income, net	532,681	5,491,848	6,024,529
Gain on sale of property, net	194,916	-	194,916
Other revenues	168,103	-	168,103
Net assets released from restrictions:			
Pursuant to endowment appropriations	1,876,465	(1,876,465)	-
Satisfaction of purpose restriction	1,819,047	(1,819,047)	-
Total revenues, support, and gains	8,564,895	2,411,734	10,976,629
Expenses:			
Program services:			
Beyond	13,155	-	13,155
Counseling	610,305	-	610,305
Fatherhood	3,980	-	3,980
Foster Care	2,460,805	-	2,460,805
Home Study	256,359	-	256,359
Parent to Parent	256,621	-	256,621
Pearl's Hope	318,042	-	318,042
Preparation for Adult Living	263,060	-	263,060
Total program services	4,182,327	-	4,182,327
Supporting services:			
Executive and administration	1,185,206	-	1,185,206
Fundraising	325,526	-	325,526
Total supporting services	1,510,732	-	1,510,732
Total expenses	5,693,059	-	5,693,059
Changes in net assets	2,871,836	2,411,734	5,283,570
Net assets, beginning of year	10,061,461	38,280,772	48,342,233
Net assets, end of year	$ 12,933,297	40,692,506	53,625,803

See Independent Auditors' Report.
See accompanying notes to financial statements.

CIRCLE OF CARE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025

	Program Services									Supporting Services			
Functional Expense	Beyond	Counseling	Fatherhood	Foster Care	Home Study	Parent to Parent	Pearl's Hope	Preparation for Adult Living	Total Program Services	Executive and Administration	Fundraising	Total Supporting Services	Total
Salaries	$ 59,390	479,131	154,846	1,142,034	48,284	151,631	135,856	117,958	2,289,130	598,080	186,446	784,526	3,073,656
Employee benefits	311	101,761	22,049	235,572	828	28,840	21,091	20,688	431,140	127,082	26,949	154,031	585,171
Payroll taxes	4,574	34,179	11,547	85,568	3,718	11,483	9,655	8,779	169,503	44,367	13,181	57,548	227,051
Occupancy	-	13,220	6,961	252,343	-	12,315	47,689	44,173	376,701	119,708	-	119,708	496,409
Depreciation	-	155	176	242,727	-	-	78,972	29,070	351,100	20,884	-	20,884	371,984
Supplies	18	9,279	4,398	14,761	25	2,531	2,453	2,792	36,257	15,554	2,083	17,637	53,894
Professional fees	836	8,759	1,946	52,174	201,026	60,815	2,460	2,212	330,228	171,379	9,212	180,591	510,819
Auto and travel	229	13,664	7,292	76,777	549	6,398	7,166	5,554	117,629	19,926	11,839	31,765	149,394
Telephone	300	1,908	2,726	20,721	270	1,985	2,873	2,666	33,449	5,604	-	5,604	39,053
Specific assistance	6,109	1,492	14,548	143,294	-	-	6,861	2,159	174,463	134	51	185	174,648
Insurance	1,831	29,886	2,170	129,946	15,245	15,924	16,288	3,682	214,972	140,463	10,006	150,469	365,441
Other	1,427	2,455	7,186	35,486	91	3,135	5,204	3,915	58,899	82,088	70,120	152,208	211,107
	$ 75,025	695,889	235,845	2,431,403	270,036	295,057	336,568	243,648	4,583,471	1,345,269	329,887	1,675,156	6,258,627

See Independent Auditors' Report.
See accompanying notes to financial statements.

CIRCLE OF CARE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES, CONTINUED

Year Ended December 31, 2024

Functional Expense	Program Services									Supporting Services			
	Beyond	Counseling	Fatherhood	Foster Care	Home Study	Parent to Parent	Pearl's Hope	Preparation for Adult Living	Total Program Services	Executive and Administration	Fundraising	Total Supporting Services	Total
Salaries	$ 11,685	439,139	1,547	1,165,620	48,974	126,334	154,823	116,072	2,064,194	582,971	168,639	751,610	2,815,804
Employee benefits	61	79,879	290	252,793	3,152	20,724	10,132	26,623	393,654	90,340	20,344	110,684	504,338
Payroll taxes	864	32,065	118	86,801	3,838	9,023	11,421	9,055	153,185	43,159	12,570	55,729	208,914
Occupancy	-	12,988	173	271,675	-	6,641	28,098	43,784	363,359	130,112	-	130,112	493,471
Depreciation	-	-	-	209,093	-	-	52,926	28,269	290,288	20,823	-	20,823	311,111
Supplies	26	5,642	1,025	7,704	-	2,816	5,349	2,617	25,179	9,144	2,524	11,668	36,847
Professional fees	217	14,005	365	62,528	199,185	73,324	1,998	2,376	353,998	140,611	17,097	157,708	511,706
Auto and travel	71	13,351	421	77,239	366	4,468	8,439	5,580	109,935	21,612	6,268	27,880	137,815
Telephone	60	1,442	-	21,384	360	1,647	2,989	3,936	31,818	7,219	-	7,219	39,037
Specific assistance	-	1,157	-	153,541	-	196	6,494	3,547	164,935	-	-	-	164,935
Insurance	-	8,810	-	109,588	484	6,515	29,535	17,877	172,809	36,089	4,134	40,223	213,032
Other	171	1,827	41	42,839	-	4,933	5,838	3,324	58,973	103,126	93,950	197,076	256,049
	$ 13,155	610,305	3,980	2,460,805	256,359	256,621	318,042	263,060	4,182,327	1,185,206	325,526	1,510,732	5,693,059

See Independent Auditors' Report.
See accompanying notes to financial statements.

CIRCLE OF CARE, INC.

STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

Years Ended December 31,	*2025*	*2024*
Cash flows from operating activities:		
Changes in net assets	$ 3,069,900	5,283,570
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	371,984	311,111
Contributions restricted in perpetuity endowment funds	-	(43,358)
Unrealized gains on investments	(1,635,392)	(2,825,278)
Loss on disposal of property, net	138,238	(194,916)
Realized gains on investments	(111,146)	(94,495)
Changes in operating assets and liabilities:		
Accounts receivable	(29,769)	(32,005)
Prepaid expenses and other assets	(1,649)	(256,974)
Inventory	(44,896)	(18,845)
Operating lease right-of-use assets	(199)	20,325
Accounts payable	201,138	41,872
Accrued wages and vacation	33,585	431
Operating lease obligations	199	(20,325)
Net cash provided by operating activities	1,991,993	2,171,113
Cash flows from investing activities:		
Sale of property, net	-	330,000
Purchase of property and equipment	(1,686,295)	(2,471,364)
Sale or purchase of investments, net	46,601	(3,328,837)
Net cash used in investing activities	(1,639,694)	(5,470,201)
Cash flows from financing activities:		
Contributions restricted in perpetuity endowment funds	-	43,358
Net cash provided by financing activities	-	43,358
Net increase (decrease) in cash and cash equivalents	352,299	(3,255,730)
Cash and cash equivalents, beginning of year	11,935,067	15,190,797
Cash and cash equivalents, end of year	$ 12,287,366	11,935,067

See Independent Auditors' Report.
See accompanying notes to financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activities

Circle of Care, Inc. (the "Organization"), is an Oklahoma not-for-profit corporation with no capital stock. The Organization ministers proactively to children and families in crisis across Oklahoma. The Organization services individuals and families through various programs including foster care, transitional living, counseling, and other support focused on meeting the needs of children and families.

Program Services

Beyond: The Beyond program launched in October 2024. It provides support to families who have adopted out of the foster care system. Beyond provides support and resources including support groups, training, monthly check-ins, educational materials, and access to mental health resources. The funding of this program comes from the generosity of private donations and the Organization.

Fatherhood: The Fatherhood program provides fathers with knowledge and skills to improve relationships, economic stability and be involved in family life. The funding for this program comes from the Temporary Assistance for Needy Families (TANF) grant in partnership with the Oklahoma Department of Human Services (OKDHS).

Counseling: The counseling program provides mental health services to the Organization's clients, as well as the community at large. This program is funded through Medicare, Medicaid, grants, and the Organization.

Foster Care: The foster care program recruits, trains, approves, and supports foster parents across Oklahoma. The Organization has a statewide contract through OKDHS to provide these services. The Organization currently has foster care staff located in Woodward, Enid, Ardmore, Oklahoma City, Tulsa, Tahlequah, and McAlester. The funding for this program comes through OKDHS in the form of a fixed daily rate per child.

Home Study: This contract requires the Organization to write all home studies for OKDHS approved foster, kinship, and adoptive homes for Region 1 within OKDHS. To run this contract, the Organization hires subcontractors and provides a pass-through rate based on the set amount billable to OKDHS. This is a fee-for-service contract with OKDHS.

Parent to Parent: This program is designed to shorten the time a child is in foster care and increase family reunification rates. The pilot project for this program fully launched in May 2022. This is a pilot partnership with the Organization and OKDHS. The University of Nebraska—Lincoln is running the data tracking and evaluation on this model for the 18-month pilot. The funding for this program has been provided by the Organization and private foundation donations. Beginning in July 2023, the Organization began receiving funding from OKDHS for this program. This is a fee-for-service contract with OKDHS.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Program Services, Continued

Pearl's Hope: This program is in place to support single mothers and their children. The Organization identifies mothers who have experienced OKDHS intervention and are at risk of homelessness. The Organization provides housing, life skills coaching, financial guidance, support, and educational/career goal assistance to these women to stabilize their family and/or to reunify a child who may have been placed in foster care. This program is operated on the Organization's Tulsa campus and is funded by the Organization with grant assistance from foundations in the Tulsa area.

Preparation for Adult Living: This program is in place to support young adults who have experienced child welfare intervention or come from disadvantaged backgrounds. The Organization team provides life skills coaching and assistance with educational and career goals, while providing housing for these young adults on the Tahlequah campus. The age requirement for this program is 18–24 years old. The funding for this program comes from the Organization with assistance from a United Way grant from the Lake Area United Way.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when incurred.

Net assets, revenues and expenses, and gains and losses are classified as net assets without donor restrictions and net assets with donor restrictions based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions: Net assets which are not subject to donor-imposed restrictions and are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specified purposes, which makes them unavailable for use at management's discretion (considered to be Board-designated).

Net assets with donor restrictions: Net assets which are subject to donor-imposed time and/or purpose restrictions. When a restriction expires, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include stipulations that they be maintained permanently (perpetual in nature) by the Organization. Generally, the donors of these assets permit the Organization to use all, or part of the income earned on any related investment for general or specific donor-imposed purposes.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Accounting and Presentation, Continued

Contributions, including unconditional promises to give, are recognized as revenues in the period received by or promised to the Organization. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Transfers of assets under conditional promises which are received by the Organization prior to fulfilling these conditions are recorded as a liability until the conditions are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written-off when deemed uncollectible. At December 31, 2025 and 2024, the Organization had no outstanding unconditional promises to give due from donors.

Contributions are reported as either revenues without donor restrictions or revenues with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net assets with donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service. Gifts of property and equipment are recorded as net assets without donor restriction support unless explicit donor stipulations specify how the assets must be used, in which case the gift is recorded as net assets with donor restriction support. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates in Preparing Financial Statements

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounts Receivable

Accounts receivable are reported at original invoice amount less an allowance for credit loss, if needed. Such amounts are typically due within 30 days from the invoice date. Management determines the allowance for credit losses by identifying troubled accounts and applying other factors for credit risks that may be inherent in the account balances. Accounts receivable are written-off when considered uncollectable. Recoveries of accounts receivable previously written-off are recorded when received. No interest is charged on outstanding account balances. As of both December 31, 2025 and 2024, management determined no allowance for credit losses was required.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization evaluates and accounts for its uncertain tax positions, if any, in accordance with ASC Topic 740, "Income Taxes," including the Organization's tax position as a tax-exempt not-for-profit entity. Through the Organization's evaluation of its uncertain tax positions, management has determined no uncertain tax positions existed as of December 31, 2025 or 2024, which would require the Organization to record a liability for the uncertain tax positions in its financial statements.

Revenues from Contracts with Customers

The Organization's revenues from customers (considered to be exchange transactions) consist primarily of state service contracts and other service contracts.

The Organization's primary state service contracts are with OKDHS and are considered to be fee-for-service contracts. Consideration under these service contracts is a fixed daily rate or fixed unit rate and the Organization recognizes revenues as the respective services are provided.

The Organization's other state service contracts are counseling services provided to State of Oklahoma Health Care Authority clients or individuals. The counseling services are considered to be fee-for-service contracts. Consideration under these service contracts is fixed (fixed hourly rates or fixed unit rates). The Organization recognizes revenues as the respective services are provided.

Investments

Investments consist of both marketable and non-marketable investment assets. The Organization considers marketable securities as those investments which are more actively traded in the market than those instruments classified as non-marketable.

Investment earnings (losses) are reported in the statements of activities and consist of interest and dividend income, oil and gas royalties, and realized and unrealized gains and losses, less external investment expenses.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Marketable Securities

Marketable securities are reported at fair value calculated in accordance with *Accounting Standards Codification* Topic 820, "Fair Value Measurement" (ASC 820). Such investments include pooled investments with the Oklahoma United Methodist Foundation, Inc. (the "Foundation"), registered investment companies, and equity securities. Fair value is determined based on quoted market prices, observable inputs, or unobservable inputs. Realized gains and losses on sales of marketable securities are computed by utilizing either the first-in, first-out basis or the average cost.

Non-Marketable Securities

Non-marketable securities are reported at management's estimated fair value using unobservable inputs in accordance with ASC 820. Such investments consist of mineral interests. The estimated fair values are based on management's analysis of the underlying assets and other factors deemed relevant to the valuation. Realized gains and losses are computed using the specific identification method.

The estimated fair values of mineral interests are based on the oil and gas income from the trailing 12 months and a multiple of 7 for gas and 4 for oil, which is an industry standard if reserve studies are not obtained. Non-producing properties are valued at a multiple of 1 to 1.5 times the average lease bonus rate.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over $1,500. Donated assets are recorded at their estimated fair market value at the date of donation. Property and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to operating expense and is computed by the use of the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20–30 years
Equipment and farm equipment	3–7 years
Furniture and fixtures	5–10 years
Improvements	10–15 years
Automobiles	5 years

Maintenance and repairs are charged to expense as incurred, while improvements are capitalized. When assets are retired or otherwise disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and any resulting gain or loss is reflected in the statements of activities.

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statement of activities, to its current fair value.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Right-of-Use Leased Assets and Liabilities

Right-of-use (ROU) leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use underlying assets and lease obligations for the lease term. If material, the Organization records ROU assets and lease obligations for its operating leases, which are recognized based on the discounted future lease payments over the term of the lease. If the rate implicit in the Organization's leases is not easily determinable, the Organization uses the U.S. Treasury rate that correlates with the term of the respective lease in calculating the present value of the sum of the lease payments. ROU leased assets are amortized over the shorter of the lease term or the useful life of the underlying assets using the straight-line method.

Lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has elected not to recognize ROU assets or lease obligations for its short-term leases, which are defined as leases with an initial term of 12 months or less.

Allocation of Functional Expenses

Expenses have been directly classified by specific functions where practicable in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include office and occupancy, which are allocated on the basis of square footage; and salaries and benefits, which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of 3 months or less at the time of purchase to be cash and cash equivalents.

Contributed Services

The Organization does not recognize any support, revenue, or expense from services contributed by volunteers since no objective basis is available to measure its value.

Retirement Plan

The Organization participates in the defined contribution plan of the General Board of Pension and Health Benefits (GBOPHB). The plan covers substantially all employees after one year of service. The Organization contributes up to 6% of an employee's salary into the plan. During 2025 and 2024, the amount contributed by the Organization totaled $100,666 and $87,504, respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements

In December 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2025-12, *Codification Improvements* (ASU 2025-12), which represents changes to the FASB *Accounting Standards Codification* (ASC) that: i) clarify, ii) correct errors, or iii) make minor improvements. ASU 2025-12 is effective for annual reporting periods beginning after December 15, 2026. The Organization is currently evaluating the effects of adopting ASU 2025-12 on its financial statements.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through June 5, 2026, the date which the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

(2) CONCENTRATIONS OF CREDIT RISK

At December 31, 2025, the Organization had concentrations of credit risk with one financial institution. The credits were in the form of checking accounts. The Organization evaluates the stability of the financial institutions it does business with in evaluating credit risk. The Organization's exposure to credit loss in the event of nonperformance by the other party to the financial instrument noted above is represented by the contractual or notional amount of the account, less the amount covered by the Federal Deposit Insurance Corporation (FDIC) insurance ($250,000 per institution), if applicable.

	Contractual or Notional Amount (Less FDIC Insurance)
Checking accounts held at one financial institution	$ 477,224

As of December 31, 2025 and 2024, the Organization had 86% and 87%, respectively, of its investments managed by the Foundation. However, because of the diversity of the investment instruments and the reputation of the Foundation, management does not believe that it is exposed to any significant credit risk.

(3) ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	2025	2024
Accounts receivable:		
State contract services	$ 379,635	328,750
Interest receivable	11,038	10,292
Other	18,015	39,877
	$ 408,688	378,919

See Independent Auditors' Report.

(4) INVESTMENTS

The Organization's investments are held at investment entities and consisted of the following at December 31:

		Cost	Estimated Fair Value
2025			
Marketable securities:			
Pooled investments at the Foundation	$	26,532,617	31,318,323
Registered investment companies		2,662,137	3,047,485
Equity securities		1,343,655	2,124,946
Total marketable securities		30,538,409	36,490,754
Non-marketable securities:			
Mineral interests managed by the Foundation		7,282	1,738,345
Total non-marketable securities		7,282	1,738,345
	$	30,545,691	38,229,099
2024			
Marketable securities:			
Pooled investments at the Foundation	$	26,504,027	28,776,827
Registered investment companies		2,608,154	2,841,724
Equity securities		1,344,116	1,885,032
Total marketable securities		30,456,297	33,503,583
Non-marketable securities:			
Mineral interests managed by the Foundation		7,282	3,025,579
Total non-marketable securities		7,282	3,025,579
	$	30,463,579	36,529,162

The pooled investments at the Foundation are invested primarily with Wespath Benefits and Investments ("Wespath"), a general agency of the United Methodist Church, in Wespath funds. The Foundation's investment funds also consist of investments in alternative investments, equity securities, municipal bonds, mutual funds, notes receivable, real estate, mineral interests, and other investments.

(4) INVESTMENTS, CONTINUED

Investment Income

The following schedule summarizes investment income and their classification in the statements of activities for the years ended December 31:

	Without Donor Restrictions	With Donor Restrictions	Total
2025			
Investment earnings	$ 962,353	2,046,368	3,008,721
Realized gains	-	111,146	111,146
Unrealized gains	191,726	1,443,666	1,635,392
Investment income	$ 1,154,079	3,601,180	4,755,259
2024			
Investment earnings	$ 405,859	2,698,897	3,104,756
Realized gains	1,077	93,418	94,495
Unrealized gains	125,745	2,699,533	2,825,278
Investment income	$ 532,681	5,491,848	6,024,529

(5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2025	2024
Land	$ 132,021	132,021
Construction in progress	281,621	1,842,670
Buildings and improvements	12,493,092	9,852,752
Furniture and fixtures	896,616	905,282
Farm equipment	65,354	65,354
Automobiles	356,949	333,449
	14,225,653	13,131,528
Less accumulated depreciation	(8,356,265)	(8,438,213)
Net property and equipment	$ 5,869,388	4,693,315

See Independent Auditors' Report.

(6) NET ASSETS WITH DONOR RESTRICTIONS FOR SPECIFIED PURPOSE

Net assets were restricted for the following specified purposes at December 31:

	2025	2024
With donor restrictions:		
Capital improvements	$ 2,107,901	2,847,166
Program services	117,474	184,330
Total donor restrictions	$ 2,225,375	3,031,496

Net assets restricted for specified purposes released from restrictions were as follows for the years ended December 31:

	2025	2024
Capital improvements	$ 1,232,860	1,682,280
Program services	4,491	136,767
Total donor restrictions released	$ 1,237,351	1,819,047

Net assets were released from donor restrictions by incurring general expenses or by occurrence of other events specified by donors satisfying the restricted purposes for the years ended December 31, 2025 and 2024.

(7) ENDOWMENTS

The Organization's endowments consisted of 124 individual donor-restricted funds for both December 31, 2025 and 2024, established for a variety of program services. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The endowments represent only those net assets that are under the control of the Organization.

Interpretation of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of endowed gifts, and the original value of subsequent gifts to the donor-restricted endowment. Investment earnings from the donor-restricted endowment are classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor-stipulated purpose within the standard of prudence prescribed by UPMIFA.

(7) ENDOWMENTS, CONTINUED

Investment Policy

The investment objective adopted by the Organization is to achieve superior, long-term performance, while at the same time maximizing current income. Investment goals are formulated to earn returns over the long term that equal or exceed the spending policy rates plus the impact of inflation. Funds are invested in a highly diversified portfolio to mitigate downturns in a single sector.

Spending Policy

The Organization has approved an endowment distribution or spending policy whereby distributions are limited to 5% or 7% of the fair value of the individual endowment funds. The spending rate is determined by taking into consideration expected long-term total return on investments, investment expenses, and inflation.

Underwater Endowment Funds

The Organization considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies existed in 10 and 28 endowment funds as of December 31, 2025 and 2024, respectively. The deficiencies resulted from unfavorable market fluctuations that occurred. Deficiencies as of December 31 were as follows:

	2025	2024
Fair values	$ 481,202	3,163,889
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	(539,310)	(3,301,848)
Deficiencies	$ (58,108)	(137,959)

(7) ENDOWMENTS, CONTINUED

Endowment Net Asset Composition

The net asset composition of endowment by type of fund as of December 31 was as follows:

	2025	2024
Donor-restricted endowment:		
Original donor-restricted gift amounts and amounts to be maintained in perpetuity by donor	$ 28,696,775	28,696,775
Accumulated investment earnings	10,772,346	8,964,235
	$ 39,469,121	37,661,010

Changes in Endowment Net Assets

Changes in the endowment net assets for the years ended December 31 were as follows:

	With Donor Restriction	
	2025	2024
Net assets, beginning of year	$ 37,661,010	34,297,546
Contributions	-	43,358
Investment earnings, net	3,400,291	5,196,571
Amounts appropriated for expenditures	(1,592,180)	(1,876,465)
Total changes	1,808,111	3,363,464
Net assets, end of year	$ 39,469,121	37,661,010

See Independent Auditors' Report.

(8) LEASE OBLIGATIONS

The Organization had operating leases for office space and office equipment totaling approximately $7,000 and $7,300 per month on December 31, 2025 and 2024, respectively. The leases mature from May 2026 to June 2028 and had a weighted-average discount rate of 2.50% and 2.33% as of December 31, 2025 and 2024, respectively. Total lease expense for the years ended December 31, 2025 and 2024, approximated $82,000 and $88,000, respectively.

The aggregate annual operating lease obligations as of December 31, 2025, were as follows:

2026	$	54,845
2027		15,630
2028		4,030
Total undiscounted operating lease obligations		74,505
Less imputed interest		(1,816)
Net operating lease obligations	$	72,689

(9) LEASE INCOME

The Organization leases small portions of its properties in Tulsa and Tahlequah, Oklahoma, to other entities. The lease payments are collected monthly and are accounted for as operating leases. Total lease income of $44,765 and $47,829 was recognized for the years ended December 31, 2025 and 2024, respectively.

(10) LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the statement of financial position date for general expenditures were as follows as of December 31:

	2025	2024
Cash and cash equivalents	$ 12,287,366	11,935,067
Accounts receivable	408,688	378,919
Investments	38,229,099	36,529,162
Total financial assets available within one year	50,925,153	48,843,148
Less:		
Amounts unavailable for general expenditures within one year due to:		
Accounts payable and accrued wages and vacation	(540,919)	(306,196)
Restricted in perpetuity—endowment	(39,469,121)	(37,661,010)
Restricted for specified purpose	(2,225,375)	(3,031,496)
Mineral interest	(1,738,345)	(3,025,579)
Total amounts unavailable for general expenditures within one year	(43,973,760)	(44,024,281)
Total financial assets available for future periods	$ 6,951,393	4,818,867

Liquidity Management

The Organization continually provides its major contract services to OKDHS and receives state contract revenue. The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund program services. In addition, the Organization receives church giving and support without donor restrictions as well as investment income without donor restrictions which it utilizes to pay its general operating expenses. Such support has historically been sufficient to pay the majority of the Organization's general operating expenses each year.

The Organization considers state contract revenue, investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include program expenses, executive and administration expenses, and fundraising expenses. Annual operations are defined as activities occurring during the Organization's fiscal year.

(11) FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In estimating fair value, the Organization utilizes valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset. Fair values may not represent actual values of assets that could have been realized on the measurement date or that will be realized in the future. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

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 asset or liability.

- Level 3 inputs consist of unobservable inputs which are used when observable inputs are unavailable and reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

The Organization uses appropriate valuation methods based on the available inputs to measure the fair values of its assets and liabilities.

(11) FAIR VALUE MEASUREMENTS, CONTINUED

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Pooled Investments at the Foundation

The fair values of pooled investments at the Foundation are based on fair values provided by the Foundation, which are based on the fair values of the underlying investments in such pooled investments. Management of the Foundation determine fair values based on observable and unobservable inputs as appropriate. The Organization has classified the fair values of pooled investments at the Foundation as Level 3 in the fair value hierarchy, based on the lowest level of fair value hierarchy assigned by the Foundation's respective management to the underlying investments in the respective pooled investments of the Foundation.

Registered Investment Companies and Equity Securities

The fair values of registered investment companies and equity securities are based on quoted market prices using Level 1 inputs.

Mineral Interests

The fair values of mineral interests are determined by estimated cash flow models using unobservable Level 3 inputs. The fair value is based on oil and gas income from the trailing 12 months and a multiple of 7 for gas and 4 for oil, which is an industry standard if reserve studies are not obtained. Non-producing properties are valued at a multiple of 1 to 1.5 times the average bonus rate.

(11) FAIR VALUE MEASUREMENTS, CONTINUED

The following table presents the fair value measurements of assets recognized in the accompanying statement of financial position at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

		Fair Value Measurements at Reporting Date Using		
	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025				
Pooled investments at the Foundation	$ 31,318,323	-	-	31,318,323
Registered investment companies	3,047,485	3,047,485	-	-
Equity securities	2,124,946	2,124,946	-	-
Mineral interests	1,738,345	-	-	1,738,345
	$ 38,229,099	5,172,431	-	33,056,668
2024				
Pooled investments at the Foundation	$ 28,776,827	-	-	28,776,827
Registered investment companies	2,841,724	2,841,724	-	-
Equity securities	1,885,032	1,885,032	-	-
Mineral interests	3,025,579	-	-	3,025,579
	$ 36,529,162	4,726,756	-	31,802,406

The following are the purchases of financial instruments whose fair values were determined using Level 3 inputs during the years ended December 31:

	2025	2024
Pooled investments at the Foundation	$ 278,609	3,533,742

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

CIRCLE OF CARE, INC.

SCHEDULE OF STATE AWARDS

Year Ended December 31, 2025

State Grantor/Contract	PA #	Term	Program Award	Revenues	Expenditures
Oklahoma Department of Human Services:					
Fatherhood	EV00000399	October 1, 2024, to September 30, 2027	Various—per unit amounts	$ 258,049	235,845
Foster Care Services	21000046	July 1, 2020, to June 30, 2026	Various—per unit amounts	1,815,974	2,431,403
Resource Family Assessments	20000574	July 1, 2019, to June 30, 2026	Various—per unit amounts	255,825	270,036
Parent to Parent	23000250	July 1, 2022, to June 30, 2030	Various—per unit amounts	281,493	295,057
Total Oklahoma Department of Human Services				2,611,341	3,232,341
Oklahoma Health Care Authority:					
Counseling	XXX	July 1, 2021, to June 30, 2029	Various—per unit amounts	295,660	695,889
Total Oklahoma Health Care Authority				295,660	695,889
Total State Awards				**$ 2,907,001**	**3,928,230**

See Independent Auditors' Report.

CIRCLE OF CARE, INC.

SCHEDULE OF REVENUES AND EXPENDITURES BY FUNCTION AND FUNDING SOURCE

Year Ended December 31, 2025

Revenues:		
OKDHS—Fatherhood	$	258,049
OKDHS—Foster Care Services		1,815,974
OKDHS—Resource Family Assessments		255,825
OKDHS—Parent to Parent		281,493
OHCA—Counseling		295,660
Total revenues		2,907,001
Expenses:		
Program services:		
Salaries		1,975,926
Employee benefits		389,050
Payroll taxes		146,495
Occupancy		284,839
Depreciation		243,058
Supplies		30,994
Professional fees		324,720
Auto and travel		104,680
Telephone		27,610
Specific assistance		159,334
Insurance		193,171
Other		48,353
Total program services		3,928,230
Supporting services:		
Executive and administration		1,345,269
Fundraising		329,887
Total supporting services		1,675,156
Total expenses		5,603,386
Excess expenditures	$	(2,696,385)

See Independent Auditors' Report.

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INDEPENDENT AUDITORS' 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
Circle of Care, Inc.
Oklahoma City, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States 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 Circle of Care, Inc. (the "Organization"), 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 5, 2026.

Report on Internal Control over Financial Reporting

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

(Continued)

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED

Report on Compliance and Other Matters

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

Finley & Cook, PLLC

Shawnee, Oklahoma
June 5, 2026