

HIDDEN WATER, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

HIDDEN WATER, INC.
TABLE OF CONTENTS
DECEMBER 31, 2024

	Page No.
INDEPENDENT ACCOUNTANT’S REVIEW REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-13

RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Hidden Water, Inc.
New York, NY

We have reviewed the accompanying financial statements of Hidden Water, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Hidden Water, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Rich and Bander, LLP

New York, NY
August 30, 2025

HIDDEN WATER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 229,079
Grants and contributions receivable	26,157
Prepaid expenses	5,564
Total current assets	260,800

TOTAL ASSETS

\$ 260,800

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	\$ 6,958
Total current liabilities	6,958

TOTAL LIABILITIES

6,958

NET ASSETS

Without donor restrictions	208,009
With donor restrictions	45,833
TOTAL NET ASSETS	253,842

TOTAL LIABILITIES AND NET ASSETS

\$ 260,800

HIDDEN WATER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants and contributions			
Individual	\$ 319,025	\$ -	\$ 319,025
Foundation	14,167	45,833	60,000
Corporate	403	-	403
Net assets released from restrictions	71,516	(71,516)	-
Total grants and contributions	405,111	(25,683)	379,428
Program service revenue			
Training fees	35,253	-	35,253
Total program service revenue	35,253	-	35,253
Total revenue and support	440,364	(25,683)	414,681
Expenses			
Program services	283,327	-	283,327
Supporting services			
Management and general	116,293	-	116,293
Fundraising	29,570	-	29,570
Total expenses	429,190	-	429,190
Change in net assets	11,174	(25,683)	(14,509)
Net assets - beginning of year	196,835	71,516	268,351
Net assets - end of year	\$ 208,009	\$ 45,833	\$ 253,842

HIDDEN WATER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 233,069	\$ 79,024	\$ 18,685	\$ 330,778
Payroll taxes and benefits	19,313	6,548	1,548	27,409
Office and supplies	1,646	12,747	-	14,393
Professional and contractor fees	4,470	-	8,166	12,636
Miscellaneous	1,650	5,377	226	7,253
Insurance	4,887	1,657	392	6,936
Events expense	6,174	-	-	6,174
Occupancy	4,228	1,433	339	6,000
Accounting fees	-	5,750	-	5,750
Charitable giving	5,000	-	-	5,000
Advertising and marketing	-	3,330	-	3,330
Payroll processing fees	1,251	427	186	1,864
Training expenses	1,614	-	-	1,614
Catering	-	-	28	28
Professional development and training	25	-	-	25
	<u>\$ 283,327</u>	<u>\$ 116,293</u>	<u>\$ 29,570</u>	<u>\$ 429,190</u>

HIDDEN WATER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:

Change in net assets	\$ (14,509)
Changes in operating assets:	
Grants and contributions receivable	18,439
Prepaid expenses	2,311
Changes in operating liabilities:	
Accounts payable and accrued expenses	(1,194)
Total adjustments	19,556
Net cash provided by operating activities	5,047

Net increase in cash and cash equivalents 5,047

Cash and cash equivalents, beginning of year 224,032

Cash and cash equivalents, end of year \$ 229,079

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ -

HIDDEN WATER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1) NATURE OF THE ORGANIZATION

Hidden Water, Inc. (the “Organization”) was organized as a not-for-profit organization on September 28, 2015 under the laws of the State of New York and is a restorative justice approach that interrupts the cycle of childhood sexual abuse and the resulting harm to families, communities and society as a whole. The Organization’s programs for the year ended December 31, 2024 were as follows:

Hidden Water Healing Circles – meet weekly, either in-person or online, for approximately 12 weeks and are designed to enable participants to find the growing edge of their healing alongside others who have had similar experiences with childhood sexual abuse.

The Organization’s programs are supported primarily by foundation, individual, and corporate donor contributions, as well as program service revenue.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

Revenue, Revenue Recognition, and Receivables

Grants and Contributions – Grants (from government and foundations) and contributions (from individuals, corporations, and other sources) are recognized when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions on which they depend have been substantially met.

Grants and Contributions Receivable – Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

HIDDEN WATER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition, and Receivables (Cont'd)

Program Service Revenue – Training fees charged are recognized at the time the programs are offered at which time the Organization's performance obligation is completed. All program service revenue amounts received in advance of the satisfaction of the performance obligation are deferred to the applicable period.

Accounts Receivable – Program service revenue earned but not yet received that is expected to be collected within one year are recorded as accounts receivable at net realizable value. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific accounts receivable.

Contributed Nonfinancial Assets – A number of volunteers have donated significant amounts of their time to the Organization in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed nonfinancial assets. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to be purchased if not provided through donation.

Property and Equipment

Property and equipment are recorded at cost, or if donated, the fair market value at the date of donation. The Organization's policy is to capitalize expenditures for these items in excess of \$5,000. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

As at December 31, 2024, the Organization does not have any lease arrangement.

HIDDEN WATER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor - (or certain grantor-) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization's Forms 990, *Return of Organizations Exempt from Income Tax*, for the years ended December 31, 2023, 2022, and 2021 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2024, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Advertising and Marketing Costs

The Organization's policy is to expense advertising and marketing costs as they are incurred.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recent Accounting Pronouncements

On December 13, 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that the Organization measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The amendments also require that the Organization provide enhanced disclosures for both annual and interim reporting periods to provide financial statement users with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. In addition, fair value measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement to test those assets for impairment. The amendments in ASU 2023-08 are effective for all organizations for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. In addition, the amendments require: (1) disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. There are also disclosure requirements that are to be eliminated upon adoption of the amendments. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments are to be applied on a prospective basis and retrospective application is permitted.

The Organization is currently evaluating the effect that these updates will have on its financial statements.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes and benefits, payroll processing fees, insurance, and occupancy, which are allocated on the basis of estimates of time and effort.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allowance for Credit Losses

The Organization operates in the nonprofit industry and its accounts receivables are generally derived from program service revenues. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segment(s) have remained constant since the Organization's inception. As of December 31, 2024, the Organization has no accounts receivables, thus no allowance for credit losses has been recognized.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. There were no write-offs to the financial statements for the year ended December 31, 2024.

Contract Balances

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Organization has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Organization has an obligation to perform services to a customer for which the Organization has received advanced consideration or when payment is due prior to satisfying any or some of the performance obligations. The Organization does not have any opening balances for contract assets nor liabilities or such balances for the year ended December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

HIDDEN WATER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

3) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the statement of financial position date, comprise the following:

<u>Financial assets at year-end</u>	<u>Gross amount</u>	<u>Less: Amounts not available to be used within one year</u>	<u>Financial assets available to meet general expenditures within one year</u>
Cash and cash equivalents	\$ 229,079	\$ 45,833	\$ 183,246
Grants and contributions receivable	26,157	-	26,157
Total	<u>\$ 255,236</u>	<u>\$ 45,833</u>	<u>\$ 209,403</u>

The Organization is supported in part by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4) FAIR VALUE MEASUREMENTS

The Organization's financial instruments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounting Standards Codification 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; level 2, defined as inputs other than the quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At December 31, 2024, no investments at fair value are noted in the statement of financial position.

5) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at December 31, 2024 totaled \$26,157. These amounts are generally collected within one year. The Organization believes its receivables to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

HIDDEN WATER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

6) CONCENTRATION OF RISKS

The Organization maintains its cash balances at a major financial institution. The balances, at times, may exceed federally insured limits. As of December 31, 2024, there were no uninsured balances. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

During the year ended December 31, 2024, the Organization received approximately 37% of its total grants and contributions from one foundation and two individual donors. As of December 31, 2024, approximately 76% of the grants and contributions receivable are from two donors. The concentration of contributions does not make the Organization vulnerable to a risk of severe near-term impact because the Organization only spends money according to the amount received from the contributors and other revenue sources.

7) RELATED PARTY TRANSACTION

During the year ended December 31, 2024, the Organization reimbursed \$6,000 to a single-member LLC owned by the Organization's Founder and Executive Director, for shared office space located at 375 Greenwich Street. The space was used periodically for in-person Healing Circles, fundraising meetings, and site visits. The amount was included as occupancy expense in the statement of functional expenses.

8) ADVERTISING AND MARKETING COSTS

For the year ended December 31, 2024, advertising and marketing costs totaled \$3,330.

9) DISSAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2024:

Revenue recognized at a point in time:	
Training fees	\$ <u>35,253</u>
Total revenue from contracts with customers	\$ <u><u>35,253</u></u>

10) 403(B) RETIREMENT PLAN

On January 1, 2024, the Organization adopted a 403(b) retirement plan (the "Plan") for eligible employees. Under the Plan, employees may elect to make pre-tax and Roth contributions through payroll deferrals, in accordance with Section 403(b) of the Internal Revenue Code. The Plan also allows for discretionary employer matching and non-elective contributions, subject to eligibility requirements. During the year ended December 31, 2024, the Organization has no employer matching retirement payments.

HIDDEN WATER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

11) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for a specified purpose:

Hidden Water Prevention Curriculum (Healing Circles)	<u>\$ 45,833</u>
Total	<u>\$ 45,833</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the year ended December 31, 2024:

Satisfaction of purpose restriction:

In-person Healing Circles in Lower Manhattan	\$ 25,000
Program Expansion: Re-introducing in-person healing circles in Brooklyn	25,000
Active Prevention Curriculum for Families and Parents Program	11,516
Capacity Building – Research & Evaluation	<u>10,000</u>
Total	<u>\$ 71,516</u>

12) SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 30, 2025, which is the date the financial statements were available to be issued. Management is not aware of any material subsequent events.