

Oklahoma Institute for Child Advocacy

Financial Statements

For Year Ended December 31, 2023

With Report of Certified Public Accountants



PETERS & CHANDLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Founded in 1954

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Oklahoma Institute for Child Advocacy

Opinion

We have audited the accompanying financial statements of Oklahoma Institute for Child Advocacy (an Oklahoma nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Institute for Child Advocacy as of December 31, 2023, 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. 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 Oklahoma Institute for Child Advocacy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oklahoma Institute for Child Advocacy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 Oklahoma Institute for Child Advocacy'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 Oklahoma Institute for Child Advocacy'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.


CERTIFIED PUBLIC ACCOUNTANTS

Oklahoma City, Oklahoma
February 16, 2025

Oklahoma Institute for Child Advocacy**Statement of Financial Position****December 31, 2023**

	<u>2023</u>
ASSETS	
Cash and Cash Equivalents	\$ 77,478
Accounts Receivable, Net of Allowance for Credit Losses of \$0	2,450
Contributions and Grants Receivable, Net of Allowance for Credit Losses of \$0	6,894
Prepaid Expenses	<u>1,610</u>
Total Current Assets	88,432
Operating Lease Right-of-Use Asset, Net	<u>63,366</u>
Total Assets	<u><u>\$ 151,798</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 27,312
Deferred Revenue	69,159
Operating Lease Liability, Current	<u>20,457</u>
Total Current Liabilities	116,928
Long Term Liabilities	
Operating Lease Liability, Net of Current Portion	<u>42,944</u>
Total Long Term Liabilities	42,944
Net Assets	
Without Donor Restrictions	(8,074)
With Donor Restrictions	<u>-</u>
Total Net Assets	<u>(8,074)</u>
Total Liabilities and Net Assets	<u><u>\$ 151,798</u></u>

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

Oklahoma Institute for Child Advocacy**Statement of Activities****For the Year Ended December 31, 2023**

	DECEMBER 31, 2023		
	WITHOUT DONOR	WITH DONOR	TOTAL
	RESTRICTIONS	RESTRICTIONS	
Support and Revenue:			
Contributions and Grants	\$ 339,691	\$ -	\$ 339,691
Special Events Revenue			
Ticket Sales, Auction, Sponsorships	304,486	-	304,486
In-Kind Contributions	12,325	-	12,325
Other Income	51	-	51
Net Assets Released from Restrictions	36,151	(36,151)	-
Total Revenue, Gains, and Other Support	692,704	(36,151)	656,553
Expenses:			
Program Services	354,284		354,284
Cost of Direct Benefit to Donors	86,409		86,409
General and Administrative	203,981		203,981
Fundraising	112,769		112,769
Total Expenses	757,443		757,443
Change in Net Assets	(64,739)	(36,151)	(100,890)
Net Assets - Beginning of Year	56,665	36,151	92,816
Net Assets - End of Year	\$ (8,074)	\$ -	\$ (8,074)

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

Oklahoma Institute for Child Advocacy
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program		Legislative		Tulsa Advocacy		Chili		Total Program		General and		Cost of Direct Benefit		
	Advocacy	Fall Forum	Learning Lab		Event		Cookoff		Services		Administrative	Fundraising	to Donors		TOTAL
Salaries & Wages	\$ 66,286	\$ 82,517	\$ 18,967		\$ 12,054	\$ 18,547		\$ 198,371	\$ 50,820	\$ 74,707	\$ -			\$ 323,898	
Employee Benefits	13,450	13,901	3,355			3,581		34,287	25,203	14,580	-			74,070	
Staff and Training	-	-	-			-		-	207	-	-			207	
Rent	-	-	-			-		-	22,303	-	-			22,303	
Professional Services	13,380	-	-			-		13,380	26,669	-	-			40,049	
Insurance	-	-	-			-		-	9,124	-	-			9,124	
Printing and Postage	5,921	1,054	5		169	4,054		11,203	5,123	5,918	-			22,244	
Contract Services	42,251	1,200	-		890	-		44,341	-	-	-			44,341	
Office Supplies	518	-	1,705		161	-		2,384	17,861	-	-			20,245	
Telephone and Information Technology	-	-	700		-	-		700	21,417	766	-			22,883	
Dues and Subscriptions	-	-	-		-	-		-	13,331	-	-			13,331	
Advertising	4,236	263	318		-	310		5,127	8,523	1,620	-			15,270	
Special and Other Fundraising Events	10,372	4,932	250		-	446		16,000	-	14,417	86,409			116,826	
Travel Expenses	24,458	-	187		674	-		25,319	-	761	-			26,080	
Other	-	-	3,172		-	-		3,172	621	-	-			3,793	
Bank Fees	-	-	-		-	-		-	2,779	-	-			2,779	
Total Expenses	\$ 180,872	\$ 103,867	\$ 28,659	\$ 13,948	\$ 26,938	\$ 354,284	\$ 203,981	\$ 112,769	\$ 86,409	\$ 757,443					

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

Oklahoma Institute for Child Advocacy**Statement of Cash Flows****For the Year Ended December 31, 2023**

	<u>2023</u>
Cash Flows From Operating Activities:	
Change in Net Assets	\$ (100,890)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(2,450)
Contributions and Grants Receivable	(6,894)
Prepaid Expenses and Other Assets	(360)
Operating Lease Right-of-Use Asset	(43,103)
Accounts Payable and Accrued Liabilities	15,419
Deferred Revenues	69,159
Operating Lease Liability	<u>43,138</u>
Net Cash Provided by (Used for) Operating Activities	(25,981)
Cash Flows From Investing Activities:	
Net Cash Provided by (Used for) Investing Activities	-
Cash Flows From Financing Activities:	
Net Cash Provided by Financing Activities	<u>-</u>
Net Change in Cash and Cash Equivalents	(25,981)
Cash and Cash Equivalents, Beginning of Year	<u>103,459</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 77,478</u></u>

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

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Oklahoma Institute for Child Advocacy (“OICA” or “Organization”) was organized in 1983 as a not-for-profit organization for children in Oklahoma. The Organization’s mission is to create awareness, take action, and change policy on behalf of children and youth. The Organization affirms the value and vulnerability of children and youth by raising awareness of their needs, and by promoting public policies, programs, and preventive strategies to ensure that they reach their full potential.

Program Activities – The most significant program activities include:

Program Advocacy - Legislative advocacy performed year-round, working with the law makers on proposed legislation and reviewing legislative policies during the session and summarizing actions by the legislature after the session. In addition, OICA works on interim studies to assist law makers on these reviews.

Advocacy Boot Camp - A leadership program operated by the Oklahoma Institute for Child Advocacy. This program takes selected leaders to multiple destinations around the state throughout the year to learn about child advocacy and effective policy.

Fall Forum – A multi-day annual conference which assembles advocates to learn about policy issues and brainstorm effective solutions which are then offered to policymakers for implementation.

Legislative Learning Lab – Through the work of OICA, the goal is to have a better-educated network of advocates working to improve policies in the State of Oklahoma to better serve children. The Legislative Learning Lab helps by educating and training advocates to strongly and effectively use their voices for policy changes. Advocates who attend the Legislative Learning Lab will come away with a better understanding of the Oklahoma legislative process and the framework of the Oklahoma state government. With a better understanding, advocates can more effectively promote their work to policymakers.

Child Advocacy Day Chili Cook-off – an annual event held at the state capitol to provide networking opportunities for child advocates to meet and connect with state policymakers.

Tulsa Advocacy Event – An annual event which highlights a topic of importance to child advocates which assembles individuals to learn more about the issue.

Kid Governor® - A program operated in Oklahoma through contract with the Connecticut Democracy Project which provides civics education to participating Oklahoma grade school students and also selects youth to serve in designated roles promoting policy for the Oklahoma.

OICA Annual Calendar – The Annual Calendar is designed to share information concerning Oklahoma’s children and how policies and laws directly affect their lives. OICA highlights a different child-related statistic and promotes a different youth-related program on each day of the calendar. A copy of the Annual Calendar is provided to each Oklahoma lawmaker, state and federal, as well as cabinet secretaries.

CASH, CASH EQUIVALENTS, AND CONCENTRATION OF CREDIT RISK

The Organization considers all cash and highly liquid financial instruments with an original maturity of three months or less at the date of purchase, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents, except for cash and cash equivalents held in investment accounts, if any. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes, if any, are excluded from this definition. From time to time, the Organization maintains cash in bank accounts that may exceed federally insured limits. Management believes the strength of the banks mitigates such risk and the Organization has not historically experienced any losses related to this potential concentration.

ACCOUNTS RECEIVABLE AND CREDIT POLICY

Accounts receivable are obligations due from the sale of annual calendars.

The carrying amounts of accounts receivable are reduced by an allowance for credit losses that reflect management's best estimate of the amounts that will not be collected. Management provides for probable credit losses through a charge to earnings and a credit to the allowance for credit losses based on historical collection trends and an assessment of the creditworthiness of current customers. The adequacy of the allowance for credit losses is evaluated periodically through an individual assessment of potential losses on customer balances, giving particular emphasis to accounts with invoices more than 90 days past the due date. Balances still outstanding after management has used reasonable collections efforts are written off through a charge to the allowance for credit losses and a credit to trade accounts receivable. Recoveries on accounts previously written off are credited back to earnings.

Management believes all balances are fully collectible and that no allowance for credit losses is warranted at December 31, 2023.

CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consist primarily of noninterest-bearing amounts due. When significant to the financial statements, contributions to be received after one year are recorded at the present value of the estimated future cash flows using a discount rate that is commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in the same net asset class as the original contribution. An allowance is recognized, if necessary, for uncollectible contributions receivable (allowance for credit losses) based upon management's judgment. Factors that influence management's judgment regarding the allowance include the current financial condition of the donors, past collection experience, existing economic conditions, and other relevant factors. At December 31, 2023, no allowance for credit losses was deemed necessary.

LEASES

The Organization leases office space and determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, management considers factors such as whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. This evaluation may require judgment. Depending upon the

outcome of this evaluation, the Organization may have operating leases or financing leases, both requiring right-of-use assets and lease liabilities to be included on the balance sheet.

The Organization has elected to exclude short term leases, which are defined as leases with a term of twelve months or less. Management has also elected to use a risk-free rate in lieu of determining the incremental borrowing rate, if the agreement does not include a stated rate.

Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that OICA will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

OICA's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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-imposed 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 donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

REVENUE RECOGNITION

Contributions and Grants, including Contracts with Government Agencies

Contributions, grants, and contracts with government agencies, including unconditional promises to give, are recognized as revenues in the period received and earned by the Organization. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Transfers of assets under conditional promises, which are received by the Organization prior to fulfilling these conditions, are recorded as a liability (deferred revenue) until the conditions are substantially met. Revenue earned but not yet collected is recognized as a receivable and included in contributions and grants receivable in the consolidated statement of financial position.

Program Service Fees and Sale of Calendars

The Organization recognizes program service fees and revenue from the sale of calendars in the period in which it is earned, typically when the services are provided or the related events are held and the performance obligation is met. Revenue or earned but not yet collected, if any, is recognized as accounts receivable (contract revenue receivable) in the statement of financial position.

Sponsorship and Special Event Revenue

The portion of revenue from sponsorships, special events, and ticket sales that relates to the commensurate value the sponsor or attendee receives in return is recognized when the related events are held and performance obligations are met.

IN-KIND CONTRIBUTIONS

Contributed nonfinancial assets include donated professional services, donated equipment and supplies, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recorded at fair value in the period the service is provided. A substantial number of volunteers have donated many hours to the Organization's programs, operations, and fundraising campaigns during the year; however, these donated services are not reflected in the consolidated financial statements since they do not meet the criteria for recognition. The Organization does not typically sell donated gifts-in-kind.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied.

INCOME TAXES

The Organization is exempt from income taxes under Internal Revenue Code section 501(c)(3) and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Generally, any income not related to the purpose for which the Organization was created is taxable as unrelated business taxable income. Management has determined that the Organization is not subject to unrelated business income tax and has taken no uncertain tax positions.

USE OF ESTIMATES

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

RECENT ACCOUNTING PRONOUNCEMENTS

Financial Instruments – Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by OICA that are subject to this guidance were trade accounts receivable. OICA adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 16, 2025, the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	<u>2023</u>
Cash and Cash Equivalents	\$ 77,478
Contributions and Grants Receivable	6,894
Accounts Receivable	<u>2,450</u>
	<u>\$ 86,822</u>

NOTE 3 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional contributions and grants receivable/promises to give are estimated to be collected as follows at December 31:

	<u>2023</u>
Less Than One Year	<u>\$ 6,894</u>

For the year ended December 31, 2023, unconditional contributions receivable are unrestricted.

No discount to net present value has been applied to these receivables as the amounts are all expected to be collected within one year.

NOTE 4 – LEASES

OICA has an operating lease for office space with a remaining lease term of three years.

The components of lease expense were as follows:

	<u>2023</u>
Total Operating Lease Cost	<u>\$ 22,303</u>

Other information related to leases was as follows:

For the year ended December 31,	<u>2023</u>
Supplemental Cash Flows Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 20,379
Right-of-Use Assets Obtained in Exchange for Lease Obligations:	
Operating Leases	\$ 63,174
Weighted Average Remaining Lease Term	
Operating Leases	2.92 years
Weighted Average Discount Rate	
Operating Leases	4.31%

Future minimum lease payments under noncancelable leases as of December 31, 2023 were as follows:

Year Ending December 31,	<u>Operating Leases</u>
2024	\$ 22,707
2025	23,122
2026	<u>21,545</u>
Total Future Minimum Lease Payments	67,374
Less Present Value Discount	<u>(3,974)</u>
Total	<u>\$ 63,400</u>

NOTE 5 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization received contributions of nonfinancial assets consisting of various supplies and promotional materials during the year. To the extent that contributions of materials are made under the control of the Organization and are objectively measurable, they are reflected in revenues and program expenses in the accompanying financial statements. Contributions of donated noncash assets and services are recorded at their fair market values at the time of donation.

NOTE 6 –CONTRACTS WITH GOVERNMENT AGENCIES

The Organization has a grant to receive funding from Legal Aid Services of Oklahoma, Inc.as a subgrantee of an award funded through the Department of Health and Human Services Center for Medicare and Medicaid Services. The revenue recognized under this award in 2023 was \$101,512.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTION

The net assets released from restriction for the year ended December 31, 2023 consisted of the following:

	<u>2023</u>
Program Advocacy	<u>\$ 36,151</u>
Total Net Assets Released From Restrictions	<u><u>\$ 36,151</u></u>