

# City of Norman – Boys & Girls Club of Norman Annual Report

## Empowering Youth

For more than twenty years, the City of Norman has provided substantial financial support to Center for Children and Families, Inc. (CCFI) for free or very low cost after school services for low-income youth residing in Norman. For 16 years, Neighborhood Centers services were provided on school sites in the Wilson/Longfellow and Kennedy/Irving neighborhoods. In July 2015 Boys & Girls Club of Norman (BGCN) was implemented to expand the number of youth served, increase hours of service to 20 hours over 5 days per week, and benefit from the program curricula, training, quality standards and other support provided by Boys & Girls Club of America.

In 1999, Neighborhood Centers was developed as a community collaboration to respond to high needs neighborhoods representing a significant percentage of the overall poverty and juvenile crime in the City of Norman. In subsequent years, a review of crime data from the Norman Police Department suggested that the implementation of Neighborhood Centers correlated with a significant and sustained decrease in juvenile arrests.

Boys & Girls Club of Norman's target population continues to be children and youth who reside in neighborhoods with high poverty and crime rates, many of whom have experienced relationship trauma such as domestic violence, child abuse or neglect. As a program of CCFI, BGCN is able to benefit from the expertise of CCFI professional staff and its 50 years of experience addressing the needs of families struggling with trauma. Most of the enrolled members come from Adams, Jefferson, Kennedy, and Wilson Elementary Schools, Irving, Alcott, Whittier, and Longfellow Middle Schools with a few from Norman High and Norman North High Schools. Norman Public Schools transports students from six of these school sites and Club members are able to walk from Longfellow Middle School nearby schools. A Club site operates on location for students at Irving Middle School.

Melissa Klink serves as the CEO of CCFI overseeing multiple programs in the agency, including Boys & Girls Club of Norman. Her history in non-profit mental healthcare, helps drive the advocacy and trauma-informed work of the Club. The Boys & Girls Club is led by Executive Director Whitney Dunn, with her Social Services Director Lee Brandon. Whitney has extensive experience leading afterschool youth programming. Lee is a Licensed Clinical Social Worker with several years of experience leading after school programs and working as a therapist with low income families who have experienced significant trauma. Lee's background has facilitated the further development of a trauma-informed approach to after school services. The trauma informed approach includes increased structure, lower youth to adult ratios and creative and individually tailored interventions to help youth resolve conflicts and learn to manage strong feelings without aggressive behavior.

The overall goals of BGCN prevention services are 1) safety and a sense of belonging 2) avoidance of crime, delinquency and other high-risk behaviors, 3) academic success, 4) healthy lifestyles and 5) character and leadership skills. As members arrive from school, the Regional Food Bank of Oklahoma supported Kids Cafe provides a healthy dinner. Following dinner, members have kid choice time to spend on the playground, the outdoor basketball court or the gym. In addition, members have access to an extensive library of books, a newly renovated art room, a brand new STEM lab, and many enrichment activities. Each day, Club members participate in Power Hour with staff and volunteer support to complete homework, engage in STEM projects and other interactive academic enrichment activities. Other programming is offered using curricula provided through Boys & Girls Club of America such as Smart Moves, to promote self-awareness, healthy habits, decision

# City of Norman – Boys & Girls Club of Norman Annual Report

making and goal setting and Career Launch, to promote job-readiness and career preparation for teens. Before members leave for home each day they receive a healthy snack.

In 2023 Boys & Girls Club of Norman served a total of 170 club members, which included 115 members at our main location and 55 members at our Irving Middle School location. As many youth are still recovering from learning loss and mental health challenges due to the pandemic, supports like the Boys & Girls Club of Norman are more important than ever. Over 1/3 of our Club members have an IEP or 504 learning plan and we are able to adapt academic success programming to help them succeed in and out of the classroom. Approximately 25% of our Club members also access counseling services at our organization to help them heal from complex trauma.

Here are some of our recent outcomes that demonstrate supports at BGCN:

- 90% of members reported the club provides a safe and positive environment.
- 70% of BGCN members report they are building healthy supportive relationships with adults
- 85% of members feel a sense of belonging at the Club
- 100% of members participate in Academic Success programming
- 100% of members participate in Character & Leadership programming

CCFI is grateful for the many public and private partners who make financial and in-kind investments in Boys & Girls Club of Norman. These partnerships and their impact on children, youth and their families would not be possible without the steadfast commitment of the City of Norman. Partner organizations we work with include:

- **United Way of Norman:** United Way of Norman provides funding for BGCN and works to support the quality of youth development and out-of-school time services throughout the community.
- **Norman Public Schools:** Norman Public Schools allows BGCN members to utilize school buses, vans, and other resources at no cost to the program. Bus transportation is provided from four elementary schools and two middle schools daily throughout the school year.
- **University of Oklahoma:** BGCN serves as a practicum, internship, and volunteer site for many OU students. Approximately 100 OU students associated with a wide range of campus groups - including service organizations, fraternities and sororities - have volunteered with or worked to support the program.
- **Community Afterschool Program:** Staff and volunteers from CASP provide individualized tutoring to Club members to help them improve academic confidence and performance.

## Financial Information

Page 4 of this report is the FY 2024 and Estimated FY 2025 revenues and expenses for Boys & Girls Club of Norman. The FY 2024 Budget includes one-time expenses including grant funding conferences. The FY 2025 Preliminary Budget reflects reductions in shared support staff and other expenses that are based on relative program size across the agency. The 2022 audited financial statements and 990s tax returns are attached.

**Fees for Service:** Boys & Girls Club of Norman charges its members twenty dollars per school year and twenty dollars for summer camp with fee reductions and waivers available based on need. Membership fees represent approximately 1% of the program budget.

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**Actions to Generate Income:** In addition to the City of Norman funding, operating costs for the Club are funded from Elementary and Secondary School Emergency Relief (ESSER) funds for after school programs, United Way of Norman, foundation and corporate grants and small state contracts. Planning is underway to replace the pandemic related ESSER funding, scheduled to end July 31, 2024.

In addition to making personal financial contributions to the agency, the CCFI Board of Directors continues to seek supplementary funding sources to reduce the impact of a down philanthropic climate. The Sustainable Funding Committee works closely with the Development and Communication Team to oversee the resource development process and find ways to diversify revenue for CCFI. All Board members participate in our annual end of year campaign by identifying and soliciting individual and corporate prospects.

### Fiscal Year 2025 Request

For FY 2024, the City of Norman generously provided \$120,000 to support the Boys & Girls Club of Norman Partnership. **CCFI respectfully requests that the City of Norman increase its investment by 25% to \$150,000 for FY 2025.**

This continued investment in BGCN will support the staffing levels required for the high need population served. A minimum 12:1 student to staff ratio is required to provide the high-quality, structured programming and additional support for students struggling with emotional and behavioral problems.

In addition, we are serving more members than ever before, with almost half of our Club members being teens. It is crucial that we invest in our teens as they are rapidly approaching adulthood in our community.

We sincerely appreciate the ongoing support of the City of Norman and its dedication to improving the lives of children in our community.

Respectfully,

A handwritten signature in blue ink that reads "Melissa Klink". The signature is fluid and cursive, with the first name "Melissa" being larger and more prominent than the last name "Klink".

Melissa Klink, Chief Executive Officer  
Center for Children and Families, Inc.

## City of Norman – Boys & Girls Club of Norman Annual Report

Revenue	FY 24	Est FY 2025
United Way	48,788	47,000
Donor Contributions	34,577	140
Foundations	80,000	63,000
City Fees & Grants	120,000	150,000
State & Federal Fees and Grants	309,206	290,776
Program Fees	4,500	4,500
<b>Total Revenue</b>	597,071	555,416
Expense		
Salary & Wages	385,801	367,569
Benefits	95,797	96,444
<i>Total Salary &amp; Benefits</i>	481,599	464,014
Operating Expenses		
Professional Fees	7,165	4,850
Supplies	15,916	16,683
Telephone Expense	5,152	4,096
Postage and Shipping	591	570
Occupancy	33,947	29,394
Outside Printing & Artwork	2,761	2,663
Transportation	2,675	700
Conferences, Conventions & Meetings	9,752	1,193
Subscriptions and Licensure	12,680	11,089
Specific Assistance to Individ.	2,498	398
Rental, Maintenance of Equipment allocated	824	471
Insurance allocated	13,971	13,880
Equipment Acquisition allocated	1,542	994
Miscellaneous Expenses allocated	5,997	4,422
<i>Total Operating Expense</i>	115,473	91,403
<b>Total Expenses</b>	597,072	555,416

**Note:**

FY 24 includes one-time expenses including grant funded conferences.

FY 25 reflects reductions in shared support staff and other expenses that are based on relative program size across the agency.

***Center for Children & Families, Inc.***  
*Norman, Oklahoma*

***REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION***

***For the Year Ended December 31, 2022***

***SAUNDERS & ASSOCIATES, PLLC***  
***Certified Public Accountants***

*630 East 17<sup>th</sup> Street  
P. O. Box 1406  
Ada, Oklahoma 74820  
(580) 332-8548  
FAX: (580) 332-2272*

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

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# *Saunders & Associates, PLLC*

## *Certified Public Accountants*

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630 East 17<sup>th</sup> Street \* P. O. Box 1406 \* Ada, Oklahoma 74820 \* (580) 332-8548 \* FAX: (580) 332-2272

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
of Center for Children & Families, Inc.

#### **Opinion**

We have audited the accompanying financial statements of Center for Children & Families, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 Center for Children & Families, Inc. as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Children & Families, Inc. 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 Center for Children & Families, Inc.'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, including omissions, 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 Center for Children & Families, Inc.'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 Center for Children & Families, Inc.'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.

### **Report on Summarized Comparative Information**

We have previously audited Center for Children & Families, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived

### **Other Reporting Required by Government Auditing Standards and the Uniform Guidance**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023 on our consideration of Center for Children & Families, Inc.'s internal control over financial reporting and on our test of 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 Center for Children & Families, Inc.'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 Center for Children & Families, Inc.'s internal control over financial reporting and compliance.

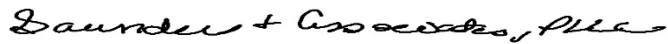
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis and is 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

July 27, 2023

## FINANCIAL INFORMATION

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATEMENT OF FINANCIAL POSITION

December 31, 2022  
(With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 639,145	\$ (233,930)	\$ 405,215	\$ 875,321
Unconditional Promises to Give:				
United Way Services Funding for 22-23	0	70,083	70,083	62,004
Pledges Receivable	127,730	0	127,730	107,836
Accounts Receivable	248,021	0	248,021	121,974
Inventory	14,017	0	14,017	13,498
Prepaid Expenses	81	0	81	41
Total Current Assets	1,028,994	(163,847)	865,147	1,180,674
Noncurrent Assets:				
Investments	0	190,506	190,506	237,772
Pledges Receivable, net	0	43,424	43,424	75,187
Property & Equipment	3,432,739	0	3,432,739	3,351,609
Less: Accumulated Depreciation	(633,139)	0	(633,139)	(555,315)
Right of Use Assets	23,282	0	23,282	0
Less: Acumulated Amortization	(4,656)	0	(4,656)	0
Total Noncurrent Assets	2,818,226	233,930	3,052,156	3,109,253
TOTAL ASSETS	\$ 3,847,220	\$ 70,083	\$ 3,917,303	\$ 4,289,927
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Current Liabilities:				
Accounts Payable	\$ 13,019	\$ 0	\$ 13,019	\$ 9,780
Accrued Expenses	1,990	0	1,990	0
Lease Liability - Current Portion	4,389	0	4,389	0
Total Current Liabilities	19,398	0	19,398	9,780
Noncurrent Liabilities:				
Lease Liability	15,258	0	15,258	0
Long-Term Debt	0	0	0	150,000
Liability for Compensated Absences	51,996	0	51,996	31,770
Total Noncurrent Liabilities	67,254	0	67,254	181,770
Total Liabilities	86,652	0	86,652	191,550
Net Assets:				
Without Donor Restrictions	3,760,568	0	3,760,568	3,990,761
With Donor Restrictions	0	70,083	70,083	107,616
Total Net Assets	3,760,568	70,083	3,830,651	4,098,377
TOTAL LIABILITIES AND NET ASSETS	\$ 3,847,220	\$ 70,083	\$ 3,917,303	\$ 4,289,927

\* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b><u>REVENUE AND SUPPORT</u></b>				
Grants and Contracts	\$ 155,159	\$ 1,244,816	\$ 1,399,975	\$ 709,992
Contributions:				
United Way Services	0	140,165	140,165	126,634
Bringing Up Babies	0	12,000	12,000	12,500
Divorce Services	0	15,000	15,000	15,000
Parenting Assistance	0	2,000	2,000	1,400
Counseling Services	0	86,000	86,000	50,000
Boys & Girls Club of Norman	0	123,321	123,321	216,827
Capital Campaign	0	56,790	56,790	0
Other	409,221	0	409,221	359,602
Program and Class Fees	181	168,001	168,182	183,500
Other Revenue	31,876	737	32,613	421,047
In-Kind	2,744	117,183	119,927	49,042
Net Assets Released From Restriction:				
Satisfaction of Time Restrictions - United Way	140,165	(140,165)	0	0
Satisfaction of Purpose Restrictions - Capital Acq.	5,133	(5,133)	0	0
Satisfaction of Program Restrictions	2,270,697	(2,270,697)	0	0
Total Revenues	<u>3,015,176</u>	<u>(449,982)</u>	<u>2,565,194</u>	<u>2,145,544</u>
<b><u>EXPENSES</u></b>				
Program Expense	2,410,862	0	2,410,862	2,173,165
General and Administrative Expenses	144,758	0	144,758	156,709
Capital Campaign	5,133	0	5,133	0
Fund Raising Expense	228,414	0	228,414	225,185
Total Expenses	<u>2,789,167</u>	<u>0</u>	<u>2,789,167</u>	<u>2,555,059</u>
Change in Net Assets Before				
Other Gains and Losses	226,009	(449,982)	(223,973)	(409,515)
Other Gains and Losses:				
Interest	3,512	0	3,512	9,736
Unrealized Gain (Loss) on Investments	(47,265)	0	(47,265)	19,634
Gain on Extinguishment of Debt	0	0	0	565,013
Total Other Gains and Losses	<u>(43,753)</u>	<u>0</u>	<u>(43,753)</u>	<u>594,383</u>
Change in Net Assets	182,256	(449,982)	(267,726)	184,868
Net Assets, Beginning of Year	3,990,761	107,616	4,098,377	3,913,509
Transfers	<u>(412,449)</u>	<u>412,449</u>	<u>0</u>	<u>0</u>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 3,760,568</u></b>	<b><u>\$ 70,083</u></b>	<b><u>\$ 3,830,651</u></b>	<b><u>\$ 4,098,377</u></b>

\* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

EXPENSES	Program Services			
	Divorce Services	Parents' Assistance	Bringing Up Babies	Counseling
Salaries and Wages	\$ 80,435	\$ 136,518	\$ 120,097	\$ 563,879
Fringe Benefits and Taxes	20,572	39,440	36,924	143,392
Accounting	637	1,035	723	4,196
Advertising	85	24	11	182
Bank Service Charges	468	2	0	0
Client Support	1,184	1,852	13,251	1,677
Communications	1,476	1,926	1,187	6,759
Conferences, Conventions & Meetings	5,877	7,648	12,036	22,549
Consultants and Contract Labor	3,754	10,007	625	31,780
Depreciation Expense	3,658	6,058	8,869	25,412
Dues, Subscriptions & Licensure	2,563	4,082	2,917	20,102
Equipment Rent & Maintenance	227	211	215	973
Equipment Acquisition	4,829	8,490	11,488	20,124
Insurance	4,018	6,501	3,017	26,058
Interest	577	934	468	3,752
Legal Fees	0	0	0	0
Mileage & Travel	217	551	1,732	2,220
Miscellaneous	392	840	542	3,081
Occupancy	8,338	11,707	11,415	61,474
Office Supplies	628	759	837	4,754
Supplies - Other	535	468	706	2,430
Postage	35	51	51	180
Printing & Artwork	507	809	371	3,366
Program Materials	2,824	4,429	6,602	11,858
Program Snacks	175	287	93	4,200
Lease Amortizations	219	362	531	1,520
In-Kind Expenses:				
Space	49,000	0	0	0
Goods	2,341	3,877	5,677	16,265
Professional Services	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$ 195,571</b>	<b>\$ 248,868</b>	<b>\$ 240,385</b>	<b>\$ 982,183</b>

\* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	Program Services <u>Boys &amp; Girls Club of Norman</u>	Total Program Expenses	General and Admin. Expense
<u>EXPENSES</u>			
Salaries and Wages	\$ 370,622	\$ 1,271,551	\$ 81,932
Fringe Benefits and Taxes	84,833	325,161	21,868
Accounting	2,797	9,388	515
Advertising	56	358	123
Bank Service Charges	0	470	4,368
Client Support	1,186	19,150	6,229
Communications	5,438	16,786	897
Conferences, Conventions & Meetings	11,302	59,412	2,243
Consultants and Contract Labor	15,696	61,862	3,130
Depreciation Expense	25,035	69,032	3,362
Dues, Subscriptions & Licensure	14,841	44,505	1,033
Equipment Rent & Maintenance	897	2,523	110
Equipment Acquisition	12,090	57,021	3,387
Insurance	14,725	54,319	3,120
Interest	2,181	7,912	451
Legal Fees	0	0	0
Mileage & Travel	1,503	6,223	176
Miscellaneous	2,329	7,184	1,862
Occupancy	100,980	193,914	6,041
Office Supplies	2,904	9,882	1,154
Supplies - Other	2,617	6,756	914
Postage	121	438	39
Printing & Artwork	1,470	6,523	459
Program Materials	23,138	48,851	95
Program Snacks	5,572	10,327	0
Lease Amortizations	1,498	4,130	201
In-Kind Expenses:		0	
Space	24,000	73,000	0
Goods	16,024	44,184	1,049
Professional Services	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENSES	\$ <u>743,855</u>	\$ <u>2,410,862</u>	\$ <u>144,758</u>

\* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

<u>EXPENSES</u>	<u>Capital Campaign</u>	<u>Fund Raising Expense</u>	<u>2022 Total</u>	<u>2021 Total</u>
Salaries and Wages	\$ 0	\$ 126,361	\$ 1,479,844	\$ 1,198,339
Fringe Benefits and Taxes	0	32,307	379,336	322,887
Accounting	0	877	10,780	10,808
Advertising	0	134	615	291
Bank Service Charges	0	0	4,838	3,965
Client Support	0	0	25,379	11,214
Communications	0	549	18,232	16,639
Conferences, Conventions & Meetings	0	4,857	66,512	12,009
Consultants and Contract Labor	5,133	51	70,176	158,480
Depreciation Expense	0	5,430	77,824	77,555
Dues, Subscriptions & Licensure	0	7,050	52,588	56,446
Equipment Rent & Maintenance	0	176	2,809	4,211
Equipment Acquisition	0	951	61,359	11,047
Insurance	0	5,405	62,844	40,087
Interest	0	779	9,142	2
Legal Fees	0	0	0	532
Mileage & Travel	0	680	7,079	2,649
Miscellaneous	0	311	9,357	5,799
Occupancy	0	12,358	212,313	496,573
Office Supplies	0	997	12,033	7,049
Supplies - Other	0	587	8,257	5,783
Postage	0	2,309	2,786	2,894
Printing & Artwork	0	7,841	14,823	21,461
Program Materials	0	16,213	65,159	28,329
Program Snacks	0	172	10,499	10,968
Lease Amortizations	0	325	4,656	0
In-Kind Expenses:				
Space	0	0	73,000	12,580
Goods	0	1,694	46,927	36,462
Professional Services	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$ 5,133</b>	<b>\$ 228,414</b>	<b>\$ 2,789,167</b>	<b>\$ 2,555,059</b>

\* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	<u>2022</u> Total	<u>2021</u> Total
<u>Cash Flows Provided (Used) by Operating Activities</u>		
Change in Net Assets Before Other Gains and Losses	\$ (223,973)	\$ (409,515)
Adjustment to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	82,480	77,555
(Increase) Decrease in:		
Accounts Receivable	(126,047)	82,979
Pledges Receivable, net	3,790	87,514
Inventory	(519)	(5,304)
Prepaid Expense	(40)	8,174
Increase (Decrease) in:		
Accounts Payable	3,239	3,999
Accrued Liabilities	1,990	(13,191)
Lease Liabilities	19,647	0
Net Cash Provided (Used) by Operating Activities	<u>(239,433)</u>	<u>(167,789)</u>
<u>Cash Flows Provided (Used) by Investing Activities</u>		
Acquisition/Disposition of Capital Assets	(81,130)	(8,736)
Interest on Deposits	3,512	9,736
(Increase) Decrease in Investments	<u>579</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>(77,039)</u>	<u>1,000</u>
<u>Cash Flows Provided (Used) by Financing Activities</u>		
Acquisition of Debt Principal	0	277,913
Payment of Debt Principal	(150,000)	0
Payment of Lease Principle	<u>(3,634)</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>(153,634)</u>	<u>277,913</u>
Increase (Decrease) in Cash	(470,106)	111,124
Cash and Cash Equivalents, Beginning of Year	<u>875,321</u>	<u>764,197</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 405,215</u>	<u>\$ 875,321</u>
<u>Other Disclosures:</u>		
Capitalized Interest Costs	<u>\$ 0</u>	<u>\$ 0</u>
Interest Expense	<u>\$ 9,142</u>	<u>\$ 2</u>

\* The accompanying notes are an integral part of the financial statements.



CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: ORGANIZATION AND ACTIVITIES

Center for Children & Families, Inc. (CCFI) was incorporated as Juvenile Services, Inc. on August 18, 1969, for the purpose of supporting existing juvenile programs and to improve and expand services for juveniles in Cleveland County. In 1999, the Board of Directors voted to change the name of the organization from Juvenile Services, Inc. to Center for Children & Families, Inc. The programs currently supported by the organization are:

**Divorce Services** – Support and education for divorced, separated, or never married parents through classes, mediation, counseling and supervised visits and exchanges.

**Parents Assistance** – Provides support and education for parents struggling day-to-day with abuse, neglect and other related issues through specialized classes.

**Counseling** – Provides therapy, education and support to children and youth with histories of neglect and/or emotional abuse, and their parents, foster or adoptive caregivers.

**Baby Pantry** – Primarily stocked by the community, the Baby Pantry at CCFI provides formula, baby and toddler food, diapers, and other basic necessities to over 250 visitors each month.

**Bringing Up Babies** – Provides parent education, support and case management to teen and other at risk new parents through home visits.

**Boys & Girls Club of Norman** - Provides youth development services in accordance with BGCA's policies to create positive outcomes in the lives of local youth with an emphasis in 1) academic success, 2) healthy lifestyles, and 3) character and leadership development.

CCFI is an independent agency funded by grants from the Department of Health, Department of Human Services, Department of Education, and District Attorneys Council contracts with governmental entities and donations from individuals, businesses, and other not-for-profit organizations.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – Financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, contract funds are recognized as revenue when allowable expenses are incurred and a receivable represents that portion of the contract which CCFI has earned and/or requested, but not received. Medicaid receipts and contributions are recorded upon receipt. Expenses are recorded when a liability is incurred. Expenses incurred but not paid at year-end are represented by a liability on the statement of financial position. Grant funds received, but not yet expended for their specified purpose, are recognized as net assets with donor restrictions. Other revenue (i.e. donations) is recognized when received. Net asset balances represent cumulative revenue received over expenses incurred.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Basis of Presentation** – CCFI’s financial statement presentation follows the Financial Accounting Standards Board ASU 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, net assets of CCFI and changes therein are classified and reported as follows:

- Net assets with donor restrictions – net assets subject to donor imposed restrictions
- Net assets without donor restrictions – net assets not subject to donor-imposed restrictions

**Recognition of Donor Restrictions** – Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by donors.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, cash and cash equivalents include bank accounts and investments readily convertible to cash.

Bank balances at year end are categorized as follows to give an indication of the level of risk assumed by the organization.

<u>Category</u>	<u>Balance Per Bank</u>
1) Insured or collateralized with securities held by the organization or by its agent in the organization’s name.	\$ 253,876
2) Collateralized with securities held by the pledging financial institution’s trust department.	430,982
3) Uncollateralized	<u>0</u>
TOTAL	<u>\$ 684,858</u>

**Investments** – Investments of the organization consist of the following:

With donor restrictions – Beneficial Interest in Assets Held by Others – CCFI has placed funds with the following foundations to be held in endowment funds.

	<u>2022</u>	<u>2021</u>
Communities Foundation of Oklahoma		
Balance, Beginning of Year	\$ 1,211	\$ 954
Interest and Dividends	23	20
Net Investment Income	( 159)	248
Disbursements	( 46)	0
Management Fees	<u>( 12)</u>	<u>( 11)</u>
Balance, End of Year	<u>\$ 1,017</u>	<u>\$ 1,211</u>

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

	<u>2022</u>	<u>2021</u>
Oklahoma City Community Foundation		
Balance, Beginning of Year	\$ 236,561	\$ 217,184
Reciprocal Transfers	0	0
Reinvestment of Allocation	0	0
Distribution	( 11,664)	( 11,145)
Net Investment Income	<u>( 35,408)</u>	<u>30,522</u>
Balance, End of Year	<u>\$ 189,489</u>	<u>\$ 236,561</u>
Total Investments with Donor Restrictions	<u>\$ 190,506</u>	<u>\$ 237,772</u>

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Fair values are determined by reference to quoted market prices and other relevant information generated by market transactions. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Restricted gains and investment income whose restrictions are met in the same reporting period are reported as without donor restrictions.

Both the Communities Foundation of Oklahoma and the Oklahoma City Community Foundation also receive donations designated for CCFI by other donors. Both Foundations have been granted variance power and have the authority to distribute those donations as they see fit; therefore, those donations are not reflected in the Organization's financial statements. The corpus of the funds may not be withdrawn; however, income distributed to the organization by the funds may be used for any purpose. The interest in the endowment funds is recorded in the financial statements in accordance with generally accepted accounting principles and relevant funding agreements. The market value of investments attributable to third-party donors held by the Community Foundation of Oklahoma equaled \$2,622 and \$3,150 at December 31, 2022 and 2021 respectively. The market value of investments attributable to third-party donors held by the Oklahoma City Community Foundation equaled \$135,873 and \$168,253 at December 31, 2022 and 2021 respectively.

**Endowment Investment and Spending Policies** – The Foundations have adopted investment and spending policies, approved by their respective Boards of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The primary objective of the investments will be to provide for long-term return growth of principle and income without undue exposure to risk enabling the Foundations to make grants on a continuing and reasonably consistent basis. Therefore, the focus is on consistent long-term capital appreciation, with income generation as a secondary consideration. The Foundations' target is a diversified asset allocation that will enable the foundations to achieve their long-term return objectives within prudent risk parameters.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

**Accounts Receivable** – Accounts receivable consists of requests for advances and/or reimbursements to grantor and pass-through agencies for grant funds, as well as balances due from individuals and organizations for program fees.

**Pledges Receivable** – Pledges (promises to give) are recognized when the donor makes a promise to give to CCFI that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

Pledges receivable at December 31<sup>st</sup> were as follows:

	<u>2022</u>	<u>2021</u>
Due in 1 year	\$ 127,730	\$ 107,836
Due in 2 – 5 years	68,225	116,532
Due in 6 – 10 years	18,284	13,400
Thereafter	<u>5,500</u>	<u>2,500</u>
Total	<u>\$ 219,739</u>	<u>\$ 240,268</u>

**Reserve for Uncollectible Pledges** – CCFI uses the allowance method to determine uncollectible promises receivable. This reserve has been established to more accurately reflect the value of pledges receivable. Based on historical information and trend analysis, management established this reserve at 22.5% of total pledges receivable at December 31, 2022 and 22% of total pledges receivable at December 31, 2021. The reserve account equaled \$48,585 on December 31, 2022 and \$57,246 on December 31, 2021.

**Property and Equipment** – Acquisitions of property and equipment are stated at cost at date of acquisition or fair value at date of donation or contribution. Expenditures for maintenance and repairs are charged to expense as incurred. Assets costing \$5,000 or more are capitalized using the straight-line method based on the estimated useful life of the asset.

**Inventory** – Inventories are stated at the lower of cost or market value and consist of diapers, formula and other items donated to be distributed to charitable beneficiaries at the Organization's discretion.

**Cost Allocation** – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are charged directly to the programs for which work has been done based on estimates of time and effort. Occupancy costs are allocated on a square footage basis and other costs such as supplies, printing, travel, etc. which cannot be specifically identified to a program or supporting function are allocated to programs based on each program's direct salaries to total salaries expense. Allocation percentages are developed during the budget process.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

**Concentrations of Credit Risk** – Financial instruments that potentially expose CCFI to concentrations of credit risk consist of cash, accounts receivable, and pledges receivable. Cash is deposited in high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation. Accounts receivable consist of billings made to grantor agencies for services rendered or under the terms of the various grants and contracts and are considered to be fully collectible. As previously discussed, CCFI has established a reserve for uncollectible pledges to more accurately report risks associated with its pledges receivable.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative Information** – The financial statements include certain 2021 comparative information. With respect to the statement of activities, such prior information is not presented by net asset class. In the statement of functional expenses, 2021 expenses by object are presented in total rather than by function category. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021 from which the summarized information was derived.

**Income Taxes and Uncertain Tax Positions**

**Income Tax Status** – The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and is subject to a tax on income from any unrelated business, as defined by Section 509(a)(1) of the Code. From time to time, the Organization has unrelated business income related to contracts with the Oklahoma Department of Mental Health and Substance Abuse Services to provide consulting services to Griffin Memorial Hospital and Central Oklahoma Mental Health Center. Revenues totaling \$0 were received for these services in 2022. No accrual has been made to accrue a liability for unrelated business income tax, as any amount due is considered to be immaterial to the financial statements.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examinations by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022.

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Organization has no open examinations with the Internal Revenue Service or the Oklahoma Tax Commission.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Change in Accounting Principle** – For fiscal year ended December 31, 2022 the Organization implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases*. FASB ASU No. 2016-02 enhances the relevance and consistency of information of the organization’s leasing activities by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key leasing information providing users with more relevant information on and a more faithful representation of leasing arrangements for both lessees and lessors. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use lease asset, and a lessee is required to recognize a lease liability. Additional information on the organization’s leases can be found in Note 13.

**NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects CCFI’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or board mandated restriction within one year of the statement of financial position date. Donor-restricted resources are available to support general expenditures to the extent that restrictions on those resources will be met by conducting the normal activities of CCFI’s programs in the coming year.

	<u>2022</u>	<u>2021</u>
Financial assets at year end	\$ 1,084,979	\$ 1,480,094
Less those unavailable for general expenditures within one year		
Pledges Receivable – Due in more than one year, net	( 43,424)	( 75,187)
Donor Restricted – Capital Campaign	( 56,790)	( 0)
Donor Restricted – Investments	( 190,506)	( 237,772)
Board Designated Reserves:		
For Operations	( 204,000)	( 174,494)
For Maintenance	( 73,911)	( 62,161)
For Unemployment	( 10,000)	( 18,487)
Retirement Forfeitures	<u>( 125)</u>	<u>( 84)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 506,223</u>	<u>\$ 911,909</u>

As part of CCFI’s liquidity management, it invests cash in excess of daily requirements in short-term investments, typically, money market funds. In addition, the Organization has access to a \$500,000 line of credit for operating funds. To date, no draws have been made on this line of credit.

**NOTE 4: PROPERTY AND EQUIPMENT**

Activity related to property and equipment is identified below.

	<u>Balance</u> <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>2022</u>
Buildings	\$ 3,227,655	\$ 60,520	\$ 0	\$ 3,288,175
Furniture and Fixtures	29,992	14,253	0	44,245
Office Equipment	5,852	6,357	0	12,209
Play Equipment	88,110	0	0	88,110
	<u>3,351,609</u>	<u>\$ 81,130</u>	<u>\$ 0</u>	<u>3,432,739</u>
Less Accumulated Depreciation	<u>( 555,315)</u>	<u>\$( 77,824)</u>	<u>\$ 0</u>	<u>( 633,139)</u>
Net Property and Equipment	<u>\$ 2,796,294</u>			<u>\$ 2,799,600</u>

Current year depreciation expense equaled \$77,824.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 5: LONG-TERM DEBT**

1) CCFI is party to a \$500,000 line of credit (LOC) with a local bank. This LOC bears a 4.5% variable interest rate and matures June 2023. The LOC is to be used for operations as needed. To date, no draws have been made on this LOC.

2) In May 2020, CCFI was awarded an Economic Impact Disaster Loan (EIDL) by the Small Business Administration. This loan, in the amount of \$150,000 is a 30 year note and bears an interest rate of 2.75%. CCFI is to make monthly payments of \$641.00 each month beginning May 2023. Maturity date is May 18, 2050. Loan balance of \$158,205 was paid in full on May 25, 2022. There was no balance at December 31, 2022.

**NOTE 6 FAIR VALUE MEASUREMENT**

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Fair value is defined as the amount that would be received from the sale of an asset or paid for the transfers of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs.

Level 1: Quoted Prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the organization's own assumptions in determining the fair value of investments).

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31<sup>st</sup> are as follows:

Fiscal year ended December 31, 2022

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Other Significant Observable Inputs (Level 2)</u>
Investments:			
Community Foundation of Oklahoma	\$ 1,017	\$ 1,017	\$ 0
Oklahoma City Community Foundation	<u>189,489</u>	<u>189,489</u>	<u>0</u>
Total Investments	<u>\$ 190,506</u>	<u>\$ 190,506</u>	<u>\$ 0</u>

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 6 FAIR VALUE MEASUREMENT**

Fiscal year ended December 31, 2021

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Other Significant Observable Inputs (Level 2)</u>
Investments:			
Community Foundation of Oklahoma	\$ 1,211	\$ 1,211	\$ 0
Oklahoma City Community Foundation	<u>236,561</u>	<u>236,561</u>	<u>0</u>
Total Investments	<u>\$ 237,772</u>	<u>\$ 237,772</u>	<u>\$ 0</u>

**NOTE 7: CONCENTRATIONS**

CCFI derives a significant amount of its revenue from service contracts and grants from federal and state agencies. A significant reduction in the level of revenue from these agencies could have a material effect on the organization's programs, activities and operations.

**NOTE 8: DONATED MATERIALS AND SERVICES**

Donated materials and services are reflected as contributions at their estimated value on the date of receipt based on industry standards. The financial statements include the following in-kind donations:

	<u>2022</u>	<u>2021</u>
Space	\$ 73,000	\$ 12,580
Donated Goods	46,927	36,462
Professional Services	<u>0</u>	<u>0</u>
Total	<u>\$ 119,927</u>	<u>\$ 49,042</u>

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. Volunteers provided 3,911 hours of non-professional services in 2022 and 7,862 hours in 2021.

**NOTE 9: BOARD DESIGNATED NET ASSETS**

Management has designated a portion of net assets without donor restrictions for the following uses:

	<u>2022</u>	<u>2021</u>
Operating Reserve	\$ 204,000	\$ 174,494
Maintenance Reserve	73,911	62,161
Unemployment Reserve	<u>10,000</u>	<u>18,487</u>
Total Designated Net Assets Without Donor Restrictions	<u>\$ 287,911</u>	<u>\$ 243,392</u>



CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 10: CONTINGENCIES

In the normal course of operations, CCFI receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of the funds. Any liability for a reimbursement which may arise as the result of the audits of the grant funds is not believed to be material.

NOTE 11: COMPENSATED ABSENCES

The organization recognizes its obligation relating to employees' rights to receive compensation for future absences attributable to services already rendered. Amounts accrued have been derived from the payroll system and estimated based on hours of leave accrued. The organization's liability for compensated absences equaled \$51,996 on December 31, 2022 and \$31,770 on December 31, 2021.

NOTE 12: EMPLOYEE BENEFIT PLANS

IRC Section 125 Flexible Benefits Plan – The organization maintains a cafeteria plan under Section 125 of the Internal Revenue Code. The benefits offered are medical expense reimbursement and dependent care reimbursement. An employee is eligible to participate if he/she works a minimum of 20 hours per week and may become a participant on the first day of the month following 30 days of employment.

IRC Section 403(b) Plan – CCFI's basic employer contribution plan is an ERISA 403(b) defined contribution plan. Employees are eligible to participate if they work at least 20 hours per week. Eligibility, benefits, definitions and requirements are determined by the Plan Agreement.

The Board of Directors may provide a non-elective employer retirement contribution, based on available financial resources, by a percentage to be determined by the Board, of each employee's annual salary. The employer contribution is authorized by the Board of Directors as part of the annual budget process and, like all items within the budget, is subject to change at any time by the Board of Directors depending on the financial status and needs of the Center for Children and Families, Inc. Additionally, the employee may choose to contribute up to 2% of their annual wages to be eligible for up to 2% employer match. Employer contributions for the years ended December 31, 2022 and 2021 equaled \$45,849 and \$38,011 respectively.

NOTE 13: LEASES

As disclosed in Note 1, the Organization adopted FASB ASU 2016-02 due to the Organization entering into new long-term leases during the year. These new leases are the only leases required to be included on our statement of financial position under FASB ASU 2016-02. As a result, adopting FASB ASU 2016-02 had no impact to prior year statement of financial position information, and because these leases are operating leases, the adoption of this standard has no impact on our results of operations.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 13: LEASES, CONTINUED

The Organization leases certain equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard 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. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our statements of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

In January 2022, CCFI entered into an operating lease for equipment with terms of 60 payments at \$324 per month.

In April 2022, CCFI entered into an operating lease for equipment with terms of 60 payments at \$80 per month.

Total lease payments for the year were \$3,634 principle and \$938 interest.

As of December 31, 2022, the right-of-use (ROU) asset had a balance of \$23,282, as shown in noncurrent assets on the statement of financial position; the lease liability is included in other current liabilities (\$4,389) and other long-term liabilities (\$15,258). The lease asset and liability were calculated utilizing the risk-free discount rate (5%), according to the Organization's elected policy. Lease amortization for the year was \$4,656.

Maturities of operating lease liabilities as of December 31, 2022:

Year Ending December 31:	
2023	\$ 5,272
2024	5,272
2025	5,272
2026	5,272
2027	700
Total Lease Payments	<u>21,788</u>
Less: Interest	<u>( 2,141)</u>
Present value of lease liabilities	<u>\$ 19,647</u>

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 14: SUBSEQUENT EVENTS

Management of CCFI has evaluated subsequent events through July 27, 2023, which is the date the financial statements were available to be issued.

# Saunders & Associates, PLLC

## Certified Public Accountants

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Center for Children & Families, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Center for Children & Families, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, 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 July 27, 2023.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Center for Children & Families, Inc.'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 Center for Children & Families, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Children & Families, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Center for Children & Families, Inc.'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 may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Center for Children & Families, Inc.'s financial statements are free of 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 determination of financial statement amounts. 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 Center for Children & Families, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Children & Families, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Saunders + Associates, PLLC*

SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

July 27, 2023

# *Saunders & Associates, PLLC*

## *Certified Public Accountants*

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Center for Children & Families, Inc.

#### **Report on Compliance for Each Major Program**

We have audited Center for Children & Families, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Center for Children & Families, Inc.'s major federal programs for the year ended December 31, 2022. Center for Children & Families, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Center for Children & Families, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Center for Children & Families, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Center for Children & Families, Inc.'s compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, Center for Children & Families, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

## Report on Internal Control Over Compliance

Management of Center for Children & Families, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Center for Children & Families, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Center for Children & Families, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected, and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Saunders & Associates, PLLC*

SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

July 27, 2023

SUPPLEMENTAL INFORMATION



CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2022

Program Title/Source	Identifying Number	CFDA No.	Additional Identifier	Expenditures
<b>Federal Funding:</b>				
<u>U. S. Department of Justice</u>				
Passed Through Oklahoma District Attorney's Council: VOCA Program	N/A	16.575		\$ 216,859
Total U. S. Department of Justice				<u>216,859</u>
<u>U.S. Department of Health &amp; Human Services</u>				
Passed through Health Resources & Services Administration American Rescue Plan		93.498	COVID	52,488
Passed through Oklahoma Dept. of Human Services Temporary Assistance for Needy Families	N/A	93.558		476,663
Community-Based Child Abuse Prevention		93.590		28,269
Access and Visitation Services		93.597		24,874
Maternal and Child Health Services Block Grant		93.994		146,598
Total U.S. Department of Health & Human Services				<u>728,892</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through City of Norman, Oklahoma Community Development Block Grant	N/A	14.228		24,790
Total U. S. Department of Housing and Urban Development				<u>24,790</u>
<u>U.S. Department of Treasury</u>				
Passed through Oklahoma Dept. of Education Elementary and Secondary School Emergency Relief	N/A	21.027	COVID	201,490
Total U. S. Department of Treasury				<u>201,490</u>
<u>U.S. Department of Agriculture</u>				
Pass through Regional Food Bank of Oklahoma Child and Adult Food Program	N/A	10.558		2,760
Total U. S. Department of Agriculture				<u>2,760</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 1,174,791</u>
<b>State Funding:</b>				
<u>Oklahoma Department of Human Services</u>				
Parent's Assistance Program:				
Child Abuse Prevention (22-23)				\$ 37,455
Child Abuse Prevention (21-22)				41,127
Youth Mentoring Incentive Grant (22-23)				2,835
Youth Mentoring Incentive Grant (21-22)				5,437
Total Oklahoma Department of Human Services				<u>86,854</u>
<u>Oklahoma Department of Mental Health</u>				
Health & Fitness Grant (22-23)				2,569
Health & Fitness Grant (21-22)				2,761
Total Oklahoma Department of Mental Health				<u>5,330</u>
TOTAL EXPENDITURES OF STATE AWARDS				<u>\$ 92,184</u>

\* The accompanying notes are an integral part of the financial statements.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2022

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Center for Children & Families, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedules only present a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2: CONTINGENT LIABILITIES

The organization participates in a number of federally assisted programs. These programs are audited in accordance with *Government Auditing Standards* and the *Single Audit Act Amendments of 1996*, if applicable, in accordance with the required levels of Federal Financial Assistance. Audits of prior years have not resulted in any significant disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, management believes that further examinations would not result in any significant disallowed costs.

NOTE 3: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal financial reports filed with the grantor agencies because of accruals made in the schedule which will be included in future reports filed with agencies.

NOTE 4: INDIRECT COSTS

Center for Children & Families, Inc. has elected to use the 10 percent de minimus indirect cost rate as allowed under the *Uniform Guidance*.

NOTE 5: SUBRECIPIENTS

Center for Children & Families, Inc. has no subrecipients.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

STATUS OF PRIOR AUDIT FINDINGS

December 31, 2022

None reported.

CENTER FOR CHILDREN & FAMILIES, INC.  
Norman, Oklahoma

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2022

**Section 1 – Summary of Auditor’s Results**

*Financial Statements:*

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards:*

Internal Control Over Major Programs:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified not considered to be material weakness(es)?  Yes  None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?  Yes  
 No

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee?  Yes  No

*Identification of Major Programs:*

CFDA #  
93.558

PROGRAM TITLE  
TANF – Temporary Assistance for Needy Families

**Section II – Financial Statement Findings and Questioned Costs:**

None reported.

**Section III – Federal Awards Findings and Questioned Costs:**

None reported.