

Oklahoma Institute for Child Advocacy

Oklahoma City, Oklahoma

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

For the Year Ended December 31, 2010

SAUNDERS & ASSOCIATES, PLLC

Certified Public Accountants

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OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

TABLE OF CONTENTS

December 31, 2010

	<u>Page</u>
Independent Auditor's Report	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	5
Statement of Cash Flows	7
Notes to Financial Statements	8
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.....	15
SUPPLEMENTAL INFORMATION:	
Schedule of Expenditures of Federal Awards	17
Schedule of Expenditures of State awards	18
Status of Prior Audit Findings.....	19
Schedule of Findings and Responses	20
Management Letter.....	21

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Oklahoma Institute for Child Advocacy
Oklahoma City, Oklahoma

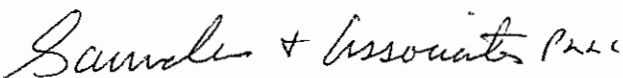
We have audited the accompanying statement of financial position of Oklahoma Institute for Child Advocacy as of December 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Oklahoma Institute for child Advocacy's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Oklahoma Institute for Child Advocacy's 2009 financial statements and, in our report dated May 20, 2010, we expressed an unqualified opinion on those financial statements.

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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2011 on our consideration of Oklahoma Institute for child Advocacy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Oklahoma Institute for child Advocacy taken as a whole. The accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis. This supplemental information is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants

October 18, 2011

FINANCIAL STATEMENTS

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

December 31, 2010
(With Comparative Totals for 2009)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents:	\$ 469,141	\$ 340,638
Accounts Receivable	65,039	171,879
Total Current Assets	<u>534,180</u>	<u>512,517</u>
Long-Term Contributions and Grants Receivable	<u>0</u>	<u>7,500</u>
<u>Property and Equipment:</u>		
Computers and Software	113,550	110,015
Office Equipment	18,640	18,640
Furniture and Fixtures	5,557	5,557
Less Accumulated Depreciation	<u>(122,372)</u>	<u>(108,594)</u>
Net Property and Equipment	<u>15,375</u>	<u>25,618</u>
<u>Other Assets:</u>		
Security Deposit	<u>5,208</u>	<u>5,208</u>
TOTAL ASSETS	<u>\$ 554,763</u>	<u>\$ 550,843</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 0	\$ 5,043
Accrued Expenses	135	1,707
Deferred Revenue	0	35,500
Total Current Liabilities	<u>135</u>	<u>42,250</u>
<u>Net Assets:</u>		
Unrestricted	21,562	100,569
Investment in Furniture and Equipment	<u>15,375</u>	<u>25,618</u>
Total Unrestricted	<u>36,937</u>	<u>126,187</u>
Temporarily Restricted	<u>517,691</u>	<u>382,406</u>
Total Net Assets	<u>554,628</u>	<u>508,593</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 554,763</u>	<u>\$ 550,843</u>

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	Unrestricted	Temporarily Restricted	Total 2010	Total 2009
SUPPORT AND REVENUE				
Support:				
Contributions	\$ 56,077	\$ 0	56,077	\$ 28,570
Investment Income	1,419	0	1,419	1,449
Honorariums	0	0	0	1,013
Special Services - Accounting				
Accounting	4,000	0	4,000	6,500
Conference & General Activity	32,062	0	32,062	0
Subscriptions Revenue:				
Children's Information Network	0	0	0	6,300
Annual Event Income:				
Fall Forum	21,435	0	21,435	67,521
Friends of Children	0	0	0	20,693
In-Kind Contributions	0	0	0	1,136
Restricted Contributions	0	264,878	264,878	59,527
Total Support	114,993	264,878	379,871	192,709
Grants:				
Governmental:				
Healthy Mothers - Healthy Babies	0	57,388	57,388	67,686
Healthy Teen Oklahoma	0	219,184	219,184	214,381
Oklahoma Afterschool Network -				
OSDH/ODHS/OSDE	0	80,617	80,617	139,691
Teen Pregnancy Prevention	0	30,502	30,502	59,078
Adolescent Prevention of Pregnancy and Risk	0	41,864	41,864	88,632
Oklahoma Infant Alliance	0	17,000	17,000	0
Oklahoma Mental Health Association	0	11,738	11,738	0
Youth Asset Survey	0	0	0	30,379
Other:				
KIDS COUNT	0	75,000	75,000	75,000
Oklahoma Afterschool Network:				
Mott Foundation	0	0	0	75,000
Sarkeys Foundation	0	0	0	50,000
Ready By 21 - Quality Counts	0	0	0	40,000
Adolescent Prevention of Pregnancy and Risk:				
Kirkpatrick Family Fund	0	117,000	117,000	0
Oklahoma Fit Kids Coalition	0	129,841	129,841	164,338
Policy Advocacy Campaign	0	0	0	40,205
Power Through Choices	0	45,986	45,986	14,714
Total Grants	0	826,120	826,120	1,059,104
Net Assets Released From Restrictions	955,713	(955,713)	0	0
Total Support and Grants	1,070,706	135,285	1,205,991	1,251,813

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	Unrestricted	Temporarily Restricted	Total 2010	Total 2009
EXPENSES				
Program Services:				
Child Health	284,486	0	284,486	250,663
Advocacy	134,539	0	134,539	192,927
Youth Initiatives	412,772	0	412,772	416,373
Oklahoma Afterschool Network	191,478	0	191,478	236,474
Total Program Services	1,023,275	0	1,023,275	1,096,437
Support Services:				
General and Administrative	106,802	0	106,802	220,209
Fundraising	29,879	0	29,879	6,914
Total Support Services	136,681	0	136,681	227,123
Total Expenses	1,159,956	0	1,159,956	1,323,560
Change in Net Assets	(89,250)	135,285	46,035	(71,747)
Net Assets, Beginning of Year	126,187	382,406	508,593	580,340
NET ASSETS, END OF YEAR	\$ 36,937	\$ 517,691	\$ 554,628	\$ 508,593

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	Advocacy	Child Health	Youth Initiatives	Oklahoma Afterschool Network	Total Program
EXPENSES					
Salaries	\$ 66,972	\$ 190,891	\$ 220,903	\$ 87,104	\$ 565,870
Payroll Taxes	4,138	13,749	16,940	6,582	41,409
Staff Benefits	4,441	14,678	10,571	1,656	31,346
Retirement	894	5,080	5,636	2,144	13,754
Worker's Compensation Insurance	460	1,303	1,495	575	3,833
Advertising	0	0	0	0	0
Audit	1,161	2,806	3,100	1,723	8,790
Bank Charges	0	38	0	0	38
Board Expenses	0	0	0	0	0
Conferences/Meetings	(194)	9,413	10,866	2,356	22,441
Consultant/Trainers	11,750	95	56,871	50,125	118,841
Data Analyst	0	0	0	0	0
Data Book	7,769	2,000	0	0	9,769
Depreciation	0	0	0	0	0
Dues and Memberships	0	0	0	0	0
Educational/Briefing Materials	0	0	5,594	(163)	5,431
Equipment Lease/Maintenance	810	1,807	3,450	1,710	7,777
Equipment Purchase	0	1,495	726	404	2,625
Facilities Expense	0	0	0	0	0
Fundraising	0	0	0	0	0
Insurance	0	0	0	0	0
IT Support	2,094	6,195	5,182	2,691	16,162
Leadership Development	1,254	0	0	0	1,254
Lobbying Expense	1,252	0	0	0	1,252
Local program Incentives	0	0	5,505	274	5,779
Marketing/Communications	0	0	0	590	590
In-Kind	0	0	0	0	0
Postage	161	442	2,220	265	3,088
Printing/Copying	370	2,199	9,959	2,892	15,420
Promotional Materials	0	1,581	0	3,582	5,163
Public Awareness	0	0	0	0	0
Rent	5,010	16,020	21,900	9,575	52,505
Staff Training	0	0	0	0	0
Student Intern Expense	0	0	6,724	0	6,724
Subscriptions	541	0	0	0	541
Supplies	503	2,263	6,072	1,544	10,382
Professional Fees	38	95	76	19	228
Technical Assistance	365	1,314	1,241	730	3,650
Telecommunications	1,296	4,252	5,852	2,707	14,107
Travel	1,554	6,643	10,859	12,245	31,301
Website Development	21,900	127	1,030	148	23,205
TOTAL EXPENSES	\$ 134,539	\$ 284,486	\$ 412,772	\$ 191,478	\$ 1,023,275
2009 TOTAL	\$ 192,927	\$ 250,663	\$ 416,373	\$ 236,474	\$ 1,096,437

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	General and Adminis- trative	Fund- raising	Total Supporting Services	Total 2010	Total 2009
EXPENSES					
Salaries	\$ 40,230	\$ 24,960	\$ 65,190	\$ 631,060	\$ 643,893
Payroll Taxes	3,059	1,910	4,969	46,378	45,693
Staff Benefits	6,394	2,017	8,411	39,757	45,548
Retirement	746	644	1,390	15,144	16,199
Worker's Compensation Insurance	379	0	379	4,212	3,362
Advertising	391	0	391	391	424
Audit	260	0	260	9,050	12,250
Bank Charges	1,411	0	1,411	1,449	757
Board Expenses	166	0	166	166	1,538
Conferences/Meetings	994	250	1,244	23,685	97,637
Consultant/Trainers	1,190	0	1,190	120,031	108,439
Data Analyst	0	0	0	0	17,500
Data Book	0	0	0	9,769	8,356
Depreciation	13,778	0	13,778	13,778	17,501
Dues and Memberships	2,831	0	2,831	2,831	3,502
Educational/Briefing Materials	0	0	0	5,431	10,843
Equipment Lease/Maintenance	485	0	485	8,262	8,501
Equipment Purchase	0	0	0	2,625	1,571
Facilities Expense	794	0	794	794	1,549
Fundraising	14,421	0	14,421	14,421	6,914
Insurance	3,063	0	3,063	3,063	3,480
IT Support	1,590	0	1,590	17,752	0
Leadership Development	0	0	0	1,254	5,957
Lobbying Expense	103	0	103	1,355	4,132
Local program Incentives	0	0	0	5,779	49,843
Marketing/Communications	0	0	0	590	2,154
In-Kind	0	0	0	0	1,136
Postage	628	0	628	3,716	5,740
Printing/Copying	152	90	242	15,662	20,573
Promotional Materials	0	0	0	5,163	302
Public Awareness	0	0	0	0	3,423
Rent	9,991	0	9,991	62,496	62,496
Staff Training	148	0	148	148	5,691
Student Intern Expense	0	0	0	6,724	7,646
Subscriptions	0	0	0	541	1,682
Supplies	596	8	604	10,986	17,251
Professional Fees	136	0	136	364	0
Technical Assistance	296	0	296	3,946	12,632
Telephone	549	0	549	14,656	22,707
Travel	1,831	0	1,831	33,132	44,738
Website Development	190	0	190	23,395	0
TOTAL EXPENSES	\$ 106,802	\$ 29,879	\$ 136,681	\$ 1,159,956	\$ 1,323,560
2009 TOTAL	\$ 220,209	\$ 6,914	\$ 227,123		\$ 1,323,560

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010
(With Comparative Totals for 2009)

	<u>2010</u>	<u>2009</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ 46,035	\$ (71,747)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	13,778	17,501
(Increase) Decrease in Accounts Receivable	114,340	34,626
(Increase) Decrease in Employee Advance	0	18
Increase (Decrease) in Accounts Payable	(5,043)	(8,984)
Increase (Decrease) in Accrued Expenses	(1,572)	(1,728)
Increase (Decrease) in Unearned Subscription Revenue	0	(2,225)
Increase (Decrease) in Deferred Revenue	<u>(35,500)</u>	<u>35,500</u>
Net Cash Provided (Used) by Operating Activities	<u>132,038</u>	<u>2,961</u>
<u>Cash Flows From Investing Activities</u>		
Net Purchases of Property and Equipment	<u>(3,535)</u>	<u>(13,782)</u>
Net Cash Provided (Used) by Investing Activities	<u>(3,535)</u>	<u>(13,782)</u>
Net Increase (Decrease) in Cash	128,503	(10,821)
Cash at Beginning of Year	<u>340,638</u>	<u>351,459</u>
CASH AT END OF YEAR	<u>\$ 469,141</u>	<u>\$ 340,638</u>

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 1: ORGANIZATION MISSION AND NATURE OF ACTIVITIES

The Oklahoma Institute for Child Advocacy (Organization) was organized in 1983 as a not-for-profit corporation 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.

Advocacy – To ensure that the needs of children and youth are a priority in local and state policy and budgetary decision making.

Programs and Activities:

The Children's Information Network (CIN) – Legislative advocacy, training and technical assistance, and publications (alerts, enewsletters).

Oklahoma KIDS COUNT Partnership – Annual Factbook, KIDS COUNT leadership class, and Child Watch tours.

Annual Fall Forum on Children's Issues – Education on children's issues and Development of the Children's Legislative Agenda.

Annual Friends of Children Awards – Recognizing outstanding efforts on behalf of Oklahoma's children.

Policy Enhancement – Effecting policy changes to increase access to health care coverage for low income working families and their children.

Policy Advocacy Campaign – Work with Smart Start communities to infuse early childhood issues into the election process and train advocates in the agenda-setting process to effect policy on early childhood issues at the legislature.

Maternal and Child Health & Fitness – To address the health care needs of children and families through education, outreach, and access to health coverage. To create public awareness, education, and legislative advocacy regarding childhood obesity reduction in Oklahoma.

Programs and Activities:

Healthy Mothers, Healthy Babies Coalition – Public awareness and education, advocacy on health issues related to mothers and infants, professional training.

Oklahoma Infant Alliance – Education and advocacy to improve the health and quality of care of late pre-term infants.

Oklahoma Fit Kids Coalition – Public awareness, education, and legislative advocacy regarding childhood obesity reduction in Oklahoma.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 1: ORGANIZATION MISSION AND NATURE OF ACTIVITIES, CONTINUED

Youth Initiatives – To promote key data, research, “best practice” strategies, program resources and collaborative efforts that will help expand programs and policies to address the needs of youth more effectively and link prevention with positive youth development from an assets-based approach.

Program Activities:

Teen Pregnancy Prevention Project – Postponing Sexual Involvement (PSI) curriculum, Positive Ways high school peer educators, and parent education and involvement.

Adolescent Pregnancy & Risk-Taking Behaviors Prevention – Outreach to at-risk teens through a school-based program promoting teen pregnancy prevention strategies and positive youth development through an asset based approach. This also uses the PSI curriculum and Positive Ways high school peer educators.

Youth Asset Survey – Teen interviews, preparation of academic journal articles and dissemination of research findings; linking prevention with youth development.

Healthy Teens OK (Teen Pregnancy Prevention) – State teen pregnancy prevention work with the state coalition and state/national partner organizations.

Oklahoma Afterschool Network

Program Activities:

Oklahoma Afterschool Network (OKAN) – Statewide network that works to ensure that all children and youth in Oklahoma have access to quality out-of-school time opportunities that help keep them safe, healthy, and learning.

Ready by 21 Initiative Quality Counts – Technical assistance and tools for programs and policy development for youth focused on strengthening the leadership and quality improvement of out-of-school programs based on community participation of out-of-school providers.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. In addition, certain in-kind donations including awards, printing, and advertising have not been reflected in the accompanying financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Presentation – The Organization is required to report information regarding its financial position and activities to three classes of net assets as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned from the assets.

Cash and Cash Equivalents – For purposes of the statement of cash flows, all highly liquid investments with original maturities of three months or less are considered cash equivalents.

Property and Equipment – Property and equipment are recorded at cost for purchased items, or fair value at the date of receipt for donated items when the asset has a useful life greater than one year and, generally, a cost of more than \$1,000. Depreciation is provided on a straight-line basis over a three to seven year period that estimates its useful life.

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.

Income Taxes – The Organization is a not-for-profit corporation exempt from federal income taxes on income related to its exempt purpose under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for the federal income taxes in the accompanying financial statements. The Organization has also made the election for lobbying expenses as allowed by section 501(h) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Services not to be a "private foundation" within meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income during 2010.

Support, Revenue and Contributions – The Organization receives grants and contract support from the Oklahoma State Department of Health, the Oklahoma State Department of Human Services, the Oklahoma Tobacco Settlement Endowment Trust, the Oklahoma State Department of Education, the United States Department of Health and Human Services, and other private foundations and corporations.

Comparative Totals – The financial statements include prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with *Generally Accepted Accounting Principles*. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2009 from which the summarized information was derived.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Grants and Contributions received are recorded as revenue at their estimated fair values on the date of receipt or upon satisfaction of any grantor or donor restrictions and are reflected as grants and contributions in the accompanying financial statements. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future period or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Concentration of Credit Risk – Financial instruments that potentially expose the Organization to concentrations of credit risk consist of cash. (See Note 3)

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposits and time deposits maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits are carried at cost. Bank balances at year-end are categorized as follows to give an indication of the level of risk assumed by the organization.

Unreconciled

<u>Category</u>	<u>Carrying Amount</u>
1) Insured or collateralized with securities held by the organization or by Its agent in the organization's name.	\$ 250,000
2) Collateralized with securities held by the pledging financial institution's Trust department.	0
3) Uncollateralized	<u>255,486</u>
TOTAL	<u>\$ 505,486</u>

NOTE 4: IN-KIND CONTRIBUTIONS

Management estimates between 40 to 80 per month for clerical services and assistance to staff are contributed by student interns and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since it does not meet the accounting criteria for recognition.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 5: ACCOUNTS RECEIVABLE – GRANTS AND CONTRACTS

As of December 31, 2010, accounts receivable from grants and contracts were composed of:

Oklahoma Department of Human Services	\$ 5,869
Oklahoma Department of Mental Health	5,869
Oklahoma Community Service Commission	6,563
National Campaign to Prevent Teen and Unplanned Pregnancy	21,143
Oklahoma Department of Health	11,082
Oklahoma Department of Education	7,013
First United Bank Rent Contributions	<u>7,500</u>
 Total Accounts Receivable	 <u>\$ 65,039</u>

NOTE 6: PROPERTY AND EQUIPMENT

	Balance <u>12/31/09</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/10</u>
Property and Equipment				
Computers and Software	\$ 110,015	\$ 5,030	\$(1,405)	\$ 113,550
Office Equipment	18,640	0	0	18,640
Furniture and Fixtures	<u>5,557</u>	<u>0</u>	<u>0</u>	<u>5,557</u>
Total	134,212	5,030	(1,405)	137,747
 Accumulated Depreciation	 (108,594)	 \$(13,778)	 \$ 0	 (122,372)
 Net Property and Equipment	 <u>\$ 25,618</u>			 <u>\$ 15,375</u>

Depreciation expense recorded in the statement of functional expenses for the year ended December 31, 2010 was \$13,778.

NOTE 7: RESTRICTED NET ASSETS

Net assets were temporarily restricted for the following purposes as of December 31, 2010:

Advocacy	\$ 47,164
Child Health and Fitness	180,837
Youth Initiatives	196,497
Oklahoma Afterschool Network	<u>93,193</u>
 Total Temporarily Restricted Net Assets	 <u>\$ 517,691</u>

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 8: EMPLOYEE BENEFITS

Employees of the Oklahoma Institute for Child Advocacy are given the option of participating in the organization's SIMPLE IRA Retirement Plan. The Organization offers a matching amount permitted by the SIMPLE plan of 3% of wages with a maximum contribution allowed by law. The cost that was recognized for the year ended December 31, 2010 was \$15,143.

NOTE 9: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 10: LEASE COMMITMENTS

The Organization leases facilities under an operating lease. The Organization signed a three-year lease agreement with First United Bank & Trust for 5,000 square feet of office space located at 3909 N. Classen Boulevard, Oklahoma City, OK 73118 effective September 1, 2008 and ending August 31, 2011. The official move date was September 15, 2009. A security deposit in the amount of \$5,208 was paid at the time. First United Bank & Trust further signed a pledge agreement to make a contribution up to the maximum aggregate amount of \$30,000 over the course of the lease to be paid monthly in the approximate amount of \$833.33 for 36 months. The future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2011	\$ <u>41,664</u>
Total	\$ <u>41,664</u>

Lease expense relating to the facilities was \$62,496 for 2010 and was included as rent expense in the statement of functional expenses.

The Organization signed a five-year lease agreement on a Ricoh Aficio Color copier in January 2008, for which monthly payments are \$598. The future minimum lease payments under the agreement are as follows:

<u>Year Ending December 31,</u>	
2011	\$ 7,176
2012	<u>7,176</u>
Total	\$ <u>14,352</u>

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 11: COMPENSATED ABSENCES

The Organization does not accrue a liability for compensated absences, but it is not believed the amount would be material to the financial statements as a whole.

NOTE 12: SUBSEQUENT EVENTS

Management of Oklahoma Institute for Child Advocacy has evaluated subsequent events through October 18, 2011, which is the date the financial statements were available to be issued.

Saunders & Associates, PLLC
Certified Public Accountants

630 East 17th Street * P. O. Box 1406 * Ada, Oklahoma 74820 * (580) 332-8548 * FAX: (580) 332-2272
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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
Oklahoma Institute for child Advocacy
Oklahoma City, Oklahoma

We have audited the financial statements of Oklahoma Institute for child Advocacy as of and for the year ended December 31, 2010, and have issued our report thereon dated October 18, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oklahoma Institute for child Advocacy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oklahoma Institute for child Advocacy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oklahoma Institute for child Advocacy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we noted certain other matters involving the internal control over financial reporting that we have reported to management of Oklahoma Institute for child Advocacy in a separate letter dated October 18, 2011

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oklahoma Institute for child Advocacy'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*.

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Saunders & Associates PLLC
SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants

October 18, 2011

SUPPLEMENTAL INFORMATION

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2010

Grantor/Pass-Through Agency	Federal CFDA Number	Funding Period	Pass - Through Identifying Number	Revenues Recognized	Federal Expenditures
<u>Department of Health and Human Services</u>					
Direct:					
Maternal, Infant, and Reproductive Health - Healthy Teen Oklahoma FY '10	93.946	09/30/09 - 09/29/10	5U65DP620004-05	219,184	219,184
Direct:					
Personal Responsibility Education Program (PREP) Innovative Strategies	93.092	09/30/10- 09/29/15	90AP2665/01	40,986	40,986
Total Department of Health and Human Services				260,170	260,170
<u>Corporation for National and Community Service</u>					
Pass-Through the OK Community Service Commission State Commission Funding	94.003	09/01/10- 08/31/11	----	6,563	6,563
Total Corporation for National and Community Service				6,563	6,563
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 266,733	\$ 266,733

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended December 31, 2010

Grantor	Grant Identifying Number	Funding Period	Revenues Recognized	State Expenditures
<u>Department of Human Services</u>				
Infant Mental Health	11002386	07/01/10 - 06/30/11	5,869	5,869
Oklahoma Afterschool Network	10000720	07/01/09 - 06/30/10	10,000	10,000
Total OK Department of Human Services			15,869	15,869
<u>Department of Mental Health and Substance Abuse Services</u>				
Infant Mental Health	-----	07/01/10 - 06/30/11	5,869	5,869
Total OK Department of Mental Health & Substance Abuse Services			5,869	5,869
<u>Department of Education</u>				
Oklahoma Afterschool Network	2659013175	09/01/10 - 08/31/11	7,014	7,014
Oklahoma Afterschool Network	2659011446	09/01/09 - 08/31/10	12,157	12,157
Total OK Department of Education			19,171	19,171
<u>Department of Health</u>				
Healthy Mothers - Healthy Babies	3409014364	07/1/10 - 06/30/11	26,596	26,596
Healthy Mothers - Healthy Babies	3409013504	07/01/09 - 06/30/10	30,792	30,792
Oklahoma Afterschool Network	3409013639	07/01/09 - 06/30/10	51,446	51,446
Teen Pregnancy Prevention	34090005165	07/01/09 - 06/30/10	28,971	28,971
Total OK Department of Health			137,805	137,805
TOTAL EXPENDITURES OF STATE AWARDS			\$ 178,714	\$ 178,714

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

STATUS OF PRIOR AUDIT FINDINGS

December 31, 2010

None reported.

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

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2010

None reported.

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

*Memorandum of Suggestions on Accounting
Procedures and System of Internal Controls*

*Oklahoma Institute for Child Advocacy
Oklahoma City, Oklahoma*

For the Year Ended December 31, 2010

*Contact Person
Gary B. Saunders*

October 18, 2011

*SAUNDERS & ASSOCIATES, PLLC
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Board of Directors
Oklahoma Institute for Child Advocacy
Oklahoma City, Oklahoma

The accompanying Management Letter includes suggestions for improvement of accounting procedures and internal accounting controls that came to our attention as a result of our examination of the financial statements of the Oklahoma Institute for Child Advocacy, Oklahoma City, Oklahoma, for the year ended December 31, 2010. The matters discussed herein were considered by us during our examination and do not modify the opinion expressed in our auditor's report dated October 18, 2011 on such financial statements.

In accordance with auditing standards generally accepted in the United States of America, we made a review of Oklahoma Institute for Child Advocacy's system of internal accounting controls for the purpose of providing a basis for reliance thereon, in determining the nature, timing and extent of substantive testing of the December 31, 2010 financial statements. While certain matters that came to our attention during the review are presented in the accompanying Management Letter for the consideration of the Board, our review did not encompass all control procedures and techniques and was not designed for the purpose of making detailed recommendations.

The accompanying Management Letter also includes comments and suggestions with respect to other financial and administrative matters that came to our attention during the course of our examination. These matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving accounting control and other financial and administrative practices and procedures.

This Management Letter is intended solely for the benefit of management and the board of directors, and is not to be used for any other purpose.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during the course of their work. We would be pleased to discuss these suggestions and comments in greater detail or otherwise assist in their implementation.

Sincerely,



SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants

October 18, 2011

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY
Oklahoma City, Oklahoma

MANAGEMENT LETTER

December 31, 2010

1. INTERNAL CONTROLS RELATED TO THE APPROVAL AND SUPPORT OF EXPENDITURES

Condition: During the course of the audit, we noted 3 (of an applicable 47) expenditures that could not be supported with original invoices or receipts justifying the purpose of the expenditure as a legitimate, allowable, business-related expense. Additionally, our review of credit transactions revealed credit invoices of which were not accompanied with complete documentation supporting all of the transactions.

Recommendation: SAUNDERS & ASSOCIATES, PLLC recommends that all expenditures be supported and not approved for payment until proper support is located. This internal control guideline involves management and those charged with governance to closely monitor the expenditure processes. Supporting documentation should be retained for periods consistent with those required by federal and state funding sources as well as organizational policy. Furthermore, guidelines establishing an approval process for credit transactions should be implemented and followed. The process must enable management to approve only transactions able to be directly associated with supporting documentation representing a legitimate business-related expense.

2. INTERNAL CONTROLS RELATED TO CASH RECEIPTS

Condition: Cash receipts are received and recorded in a cash receipts log. However, during our review of the controls, we noted the following:

- Items on the log that could not be tied to a deposit
- Deposits which were not represented on the cash receipts log
- A large amount of cash receipts appear to be held for several days before being deposited
- An independent reconciliation of the cash receipts log to actual deposits is not being performed.

Recommendation: SAUNDERS & ASSOCIATES, PLLC recommends the following:

- Cash receipt procedures outlined in the Organizational policies be applied consistently to achieve their stated objectives.
- An individual independent of the recording of the cash receipts and the depositing of the funds reconcile those receipts with actual deposits, whereby any discrepancies could be resolved timely.
- A policy regarding the timeliness of deposits should be implemented where deposits are made a minimum of daily, weekly, or when a maximum threshold is reached.