

**YOUTH AND FAMILY SERVICES OF
NORTH CENTRAL OKLAHOMA, INC.
ENID, OKLAHOMA**

**AUDITED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2024**

AUDITED BY:
Robert St. Pierre, C.P.A., P.C.
Certified Public Accountant
1113 N. Second Street
Stilwell, Oklahoma 74960

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INDEPENDENT

AUDITOR'S

REPORTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Youth and Family Services of North Central Oklahoma, Inc.
Enid, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Youth and Family Services of North Central Oklahoma, Inc. (a non-profit Organization), which comprise the statement of financial position as of June 30, 2023 and 2024, and the related statement 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 Youth and Family Services of North Central Oklahoma, Inc. as of June 30, 2023 and 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Youth and Family Services of North Central Oklahoma, 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 Youth and Family Services of North Central Oklahoma, 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Youth and Family Services of North Central Oklahoma, 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 Youth and Family Services of North Central Oklahoma, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal and state assistance is presented for purposes of additional analysis and 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued a report dated **August 29, 2024**, on our consideration of Youth and Family Services of North Central Oklahoma, Inc.'s, internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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 Youth and Family Services of North Central Oklahoma, Inc.'s internal control over financial reporting and compliance.

Robert St. Pierre

Robert St. Pierre, C.P.A., P.C.
Stilwell, Oklahoma
August 29, 2024

FINANCIAL

SECTION

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2023 and 2024

ASSETS		
	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents (Note 3)	\$ 169,191	\$ 370,796
Accounts Receivable (net of allowance) (Note 7)	291,954	198,311
Edward Jones Investment (Note 14)	370,028	405,274
Beneficial Interest in Assets Held in a Community Foundation (Note 13)	53,596	50,731
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	884,769	1,025,112
FIXED ASSETS (Note 12)		
Land	75,932	75,932
Buildings	2,054,743	2,011,785
Furniture & Fixtures	61,330	61,330
Right to Use Asset	28,155	28,155
Office Equipment	180,839	121,983
Vehicles	50,000	50,000
Less: <i>Accumulated Depreciation</i>	(941,035)	(862,533)
	<hr/>	<hr/>
TOTAL FIXED ASSETS	1,509,964	1,486,652
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,394,733	\$ 2,511,764
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LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 62,708	\$ 18,100
Accrued Annual Leave (Note 4)	28,900	32,958
Payroll Related Payables	5,097	6,231
Accrued Salaries & Taxes	66,740	58,059
Unclaimed Property	2,958	2,957
Line of Credit (Note 4)	-	1
Leases Payable - Current Portion (Note 5)	5,561	4,941
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	171,964	123,247
LONG TERM LIABILITIES		
Leases Payable - Noncurrent Portion (Note 5)	12,613	18,174
	<hr/>	<hr/>
TOTAL LONG TERM LIABILITIES	12,613	18,174
	<hr/>	<hr/>
TOTAL LIABILITIES	184,577	141,421
NET ASSETS		
Net Assets Without Donor Restrictions	2,210,156	2,370,343
Net Assets With Board Designated Restrictions	-	-
	<hr/>	<hr/>
TOTAL NET ASSETS	2,210,156	2,370,343
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 2,394,733	\$ 2,511,764
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YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2023 and 2024

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2024	2023
UNRESTRICTED REVENUE AND SUPPORT		
OJA Community Based Youth Services	\$ 748,170	\$ 779,109
Medicaid Counseling	432,887	454,468
Department of Mental Health Counseling	519,677	190,081
Private Pay	1,300	1,024
Basic Center Program	200,000	200,000
Transitional Living & Maternity Group Homes	250,000	236,181
United Way	55,753	55,964
Contributions & Fundraising	197,055	255,940
City of Enid	28,549	79,500
ARPA	-	127,000
Other Income	38	6,088
	<u>2,433,429</u>	<u>2,385,355</u>
TOTAL UNRESTRICTED REVENUE AND SUPPORT		
EXPENSES		
PROGRAM SERVICES		
OJA Community Based Youth Services	904,344	675,255
CARS	63,560	48,891
Counseling Services	359,292	426,949
Drug Court	663,549	373,498
Basic Center Program	223,486	190,297
Transitional Living & Maternity Group Homes	255,878	237,039
	<u>2,470,109</u>	<u>1,951,929</u>
TOTAL PROGRAM SERVICES		
Administrative & Fundraising	73,162	29,465
Depreciation	78,502	70,335
	<u>2,621,773</u>	<u>2,051,729</u>
TOTAL EXPENSES		
CHANGE IN NET ASSETS FROM ACTIVITIES	<u>(188,344)</u>	<u>333,626</u>
OTHER REVENUE (EXPENSES)		
Unrealized Gain (Loss) on Investments	30,644	11,729
Interest Income	-	1,692
Interest Expense	(2,487)	(1,975)
	<u>28,157</u>	<u>11,446</u>
TOTAL OTHER CHANGES		
TOTAL CHANGE IN UNRESTRICTED NET ASSETS	(160,187)	345,072
NET ASSETS, BEGINNING OF YEAR	<u>2,370,343</u>	<u>2,025,271</u>
NET ASSETS, END OF YEAR	<u>\$2,210,156</u>	<u>\$ 2,370,343</u>

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Community Based Youth	CARS Program	Counseling Services	Drug Court	Basic Center Program	TLP & Maternity Group Homes	Admin. & Fund Raising	Totals
Salaries & Wages	\$ 507,035	\$ 31,644	\$ 162,619	\$ 294,682	\$ 134,501	\$ 155,620	\$ 469,446	\$ 1,755,547
Payroll Taxes	47,397	2,771	22,704	25,493	5,346	5,347	35,711	144,769
Employee Benefits	7,110	-	46,665	15,478	27,419	6,919	30,984	134,575
Contract Labor	-	-	-	1,725	-	-	125	1,850
Program Costs	5,602	-	4,382	24,905	-	5,916	6,947	47,752
Meals & Food	17,132	-	1,031	3,806	-	1,602	1,144	24,715
Hiring & Licensing Expense	363	-	1,355	1,795	-	-	4,091	7,604
Training & Travel	5,609	-	10,088	13,592	4,000	1,271	3,625	38,185
Dues & Subscriptions	-	-	-	-	-	-	10,291	10,291
Professional Services	605	-	271	15,060	-	-	61,707	77,643
Advertising	-	-	-	-	1,220	-	2,464	3,684
Computer & Software	-	-	-	-	-	6,800	11,428	18,228
Office Supplies	-	-	90	731	-	-	13,128	13,949
Bank Charges	-	-	-	-	-	-	3,186	3,186
Employee Recognition	75	-	349	-	-	-	2,603	3,027
Communication	1,738	-	67	1,290	-	3,748	19,357	26,200
Equipment Costs	5,086	-	627	2,422	-	1,808	10,725	20,668
Vehicle Expense	-	-	4,390	-	-	-	-	4,390
Repairs & Maintenance	2,683	-	243	6,420	-	2,328	28,021	39,695
Rent & Occupancy	16,179	-	-	21,000	-	7,358	-	44,537
Insurance Expense	-	-	-	-	-	-	54,665	54,665
Supplies	-	-	-	-	-	-	15,395	15,395
Utilities	-	-	-	8,501	-	6,358	33,671	48,530
Miscellaneous	-	-	-	-	-	-	4,186	4,186
Admin. Allocations	287,730	29,145	104,411	226,649	51,000	50,803	(749,738)	-
Depreciation	38,476	3,294	12,863	30,451	-	-	(6,582)	78,502
Total Functional Expense	\$ 942,820	\$ 66,854	\$ 372,155	\$ 694,000	\$ 223,486	\$ 255,878	\$ 66,580	\$ 2,621,773

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Community Based Youth	CARS Program	Counseling Services	Drug Court	Basic Center Program	TLP & Maternity Group Homes	Admin. & Fund Raising	Totals
Payroll Related Costs	\$ 406,450	\$ 26,978	\$ 397,600	\$ 222,730	\$ 6,987	\$ 74,048	\$ 376,636	\$ 1,511,429
Contract Labor	-	-	-	-	-	500	-	500
Program Costs	11,819	-	8,730	9,162	-	12,987	22,050	64,748
Meals & Food	12,891	-	-	-	-	-	-	12,891
Hiring & Licensing Expense	1,348	-	18,751	2,972	-	-	4,375	27,446
Training & Travel	636	-	3,108	22,959	-	617	4,809	32,129
Dues & Subscriptions	385	-	242	-	-	240	9,692	10,559
Professional Services	5,710	-	(897)	-	-	-	21,442	26,255
Bad Debt	-	-	-	-	-	-	2,472	2,472
Advertising	-	-	-	-	-	-	2,862	2,862
Office Equipment	-	-	198	974	-	-	24,943	26,115
Office Supplies	-	-	308	3,579	-	-	15,385	19,272
Bank Charges	-	-	-	-	-	-	969	969
Employee Recognition	195	-	350	-	-	24	8,529	9,098
Communication	1,415	-	2,366	435	-	5,424	21,101	30,741
Equipment Costs	1,791	-	(2,654)	-	-	2,011	16,149	17,297
Vehicle Expense	41	-	4,428	-	-	-	-	4,469
Repairs & Maintenance	5,036	-	300	1,089	-	4,698	29,658	40,781
Rent & Occupancy	16,179	-	-	6,100	-	35,401	(16,179)	41,501
Insurance Expense	-	-	-	-	-	-	46,836	46,836
Utilities	-	-	-	206	-	7,918	38,420	46,544
Miscellaneous	-	-	-	-	-	-	6,480	6,480
Admin. Allocations	211,359	21,913	(5,881)	103,292	183,310	93,171	(607,164)	-
Depreciation	24,509	2,496	16,310	11,821	7,701	7,498	-	70,335
Total Functional Expense	\$ 699,764	\$ 51,387	\$ 443,259	\$ 385,319	\$ 197,998	\$ 244,537	\$ 29,465	\$ 2,051,729

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2023 and 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (160,187)	\$ 345,072
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	78,502	70,335
(Increase) Decrease in Receivables	(93,644)	(17,610)
Increase (Decrease) in Accounts Payable	44,608	5,570
Increase (Decrease) in Accrued Salaries & Taxes	8,681	24,854
Increase (Decrease) in Payroll Liabilities	(1,134)	3,494
Increase (Decrease) in Payroll Taxes Payable	-	(672)
Increase (Decrease) in Accrued Leave	(4,057)	(423)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(127,231)	430,620
CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
(Increase) Decrease in Investments	32,381	(261,138)
Fixed Assets Purchased	(101,814)	(174,752)
Acquisition of Right of Use Asset	-	(9,055)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(69,433)	(444,945)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
Borrowing of Copier Lease	-	9,055
Repayment of Note Payable	(4,941)	(3,583)
NET CASH USED IN FINANCING ACTIVITIES	(4,941)	5,472
NET INCREASE (DECREASE) IN CASH	(201,605)	(8,853)
CASH AT THE BEGINNING OF THE YEAR	370,796	379,649
CASH AT THE END OF THE YEAR	\$ 169,191	\$ 370,796
ADDITIONAL CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 2,487	\$ 1,975

FINANCIAL

STATEMENT

NOTES

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2024

NOTE 1: NATURE OF ACTIVITIES

Youth and Family Services of North Central Oklahoma, Inc. (YFSNCO)(the “Organization”) was incorporated under the laws of the State of Oklahoma on June 24, 1985 as a non-profit Organization, in order to serve and strengthen youth and families by providing emergency shelter, crisis intervention, diagnosis, counseling, therapeutic foster care, and community education, residential and support services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. The Organization follows the recommendations of FASB ASC 958 financial statements of Non-Profit Organizations which establishes standards of basic accounting and reporting for Not For Profits.

- **Net Assets without Donor Restriction**—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- **Net Assets with Donor Restriction**—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Income Tax Status—The Organization has been notified by the Internal Revenue Service that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is further classified as an Organization that is not a private Organization under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). The Organization follows the guidance of Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

Management believes that all of the positions taken by the Organization in its federal income tax returns are more likely than not to be sustained upon examination. The Organization files returns in the U.S. Federal jurisdiction. The Organization’s federal income tax returns for the tax years 2021 and beyond remain subject to examination by the Internal Revenue Service.

Financial Instruments—The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued liabilities, and line-of-credit are stated at carrying cost at June 30, 2023 and 2024, which approximates fair value due to the relatively short maturity of these instruments. Other financial instruments held at year-end are investments, which are stated at fair value.

Cash and Cash Equivalents—For purposes of the statement of cash flows, cash equivalents include cash on hand and in banks except for cash equivalents associated with the investment accounts. Restricted cash is combined with cash and cash equivalents for purposes of the consolidated statement of cash flows.

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables—Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or pledges receivable. There was no valuation allowance for accounts receivable as of June 30, 2023, or 2024, respectively.

Investments—Investments in debt securities and equity securities with readily determinable market values are recorded at fair value. Unrealized and realized gains and losses on these investments are reported in the statement of activities without donor restrictions. Securities are generally held in custodial investment accounts administered by certain financial institutions.

In addition, the Organization has an endowment fund with the Cherokee Strip Community Foundation designated by the Board to be left in as a reserve. At June 30, 2023 and 2024, the fair market value of the account totaled \$50,731 and \$53,596 respectively. See Note 12 for further details.

Property and Equipment—Property and Equipment are stated at cost if purchased or fair value at the date of contribution if contributed. The Organization capitalizes property and equipment over \$2,000. The cost of repairs and maintenance are charged to expense when incurred. Depreciation and amortization are provided using the straight-line method over the estimated useful lives as follows:

Buildings	50 Years
Building Improvements	15 Years
Equipment	3 or 5 Years
Furniture & Fixtures	7 Years
Office Equipment	3 or 5 Years
Vehicles	3 or 5 Years

Prepaid Expenses—Consists of insurance premiums for liability insurance and property coverage.

Concentration of Credit Risk—Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of receivables, cash, and investments. The concentration of credit risk with respect to receivables is limited due to a large base of donors consisting of public and private companies representing a variety of industries, government agencies, and individuals in Northwest Oklahoma. The Organization does not require collateral or other security to support receivables. The Organization holds substantially all of its cash with one financial institution. These balances may at times exceed FDIC insurance limits.

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue—Earned income consists of fee for service contracts with State and Federal agencies. Contributions consist of grants and gifts from individuals, corporations, Organizations, and federal, state, and local governmental agencies. Amortization of the discount is reported as contribution revenue. Pledges are recognized as revenue when an unconditional promise is received.

Functional Allocation of Expenses—Expenses consist of costs related to the administration of the Organization. These costs have been summarized on a functional basis in the consolidated statement of revenue and expenses without donor restrictions. Costs are directly charged to the functions they benefit. Facility related expenses are allocated to each program as follows: Occupancy and utilities are allocated according to the percentage of square footage utilized by each program. Other indirect and administrative expenses are allocated according to the percentage of direct labor cost.

Contributions Received—Pledges from contributors are recognized as support in the period designated by the donor. Unsolicited contributors are recognized as support when received. A contribution is defined as “as unconditional transfer of cash or other assets.” The recognition of a liability is required for an unconditional promise to give by the Organization. The liability and associated expense should be recognized at the time the

Organization has an obligation to transfer the promised assets in the future, which generally occurs when the donor approves a specific grant or when the recipient is notified.

Unconditional Promises to Give—Contributions are recognized when the donor makes a promise to give to the Organization without consideration of the occurrence of a particular event, that is, in substance, unconditionally. Unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Board Designated Restricted Net Assets—The Board of Directors has an established capital improvement account for necessary maintenance, acquisition of real property or equipment, growth or unforeseen expenses related to the structure of the Organization.

Compensated Absences—Each eligible employee is entitled to fifteen days annual leave, of which 5 days can be carried over from one year to the next, any unused leave is payable upon termination. At June 30, 2023 and 2024, the liability for accrued leave totaled \$32,958 and \$28,900 respectively.

Volunteer Services—The Organization receives donated services from a variety of unpaid volunteers who perform various tasks that assist the Organization. The value of contributed services is not reflected in the accompanying financial statements since the services do not meet the accounting criteria for recognition and management has not tracked the number of hours of the volunteers.

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 and 2024 consists of the following:

	<u>2024</u>	<u>2023</u>
Petty Cash (Security National Bank)	\$ 320	\$ 296
Cash on Hand	76	246
Operating Account (Security National Bank)	162,790	339,052
Checking Account (Bank of Kremlin)	<u>6,005</u>	<u>31,202</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 169,191</u>	<u>\$ 370,796</u>

NOTE 4: NOTES PAYABLE

The Organization previously had a \$150,000 line of credit with The Bank of Kremlin of Enid that matured on September 23, 2023. At June 30, 2023 and 2024, the note had an outstanding balance of \$1 and \$0, respectively.

NOTE 5: LEASES PAYABLE

Effective January 25, 2022, the Organization entered into a 60-month lease agreement with De Lage Landen Financial Services, Inc. for a Toshiba copier to be paid \$420 monthly. At the execution date, the value of the copier was \$19,100 with an 11.494% interest rate and is reported as a right of use asset depreciated for 5 years on a straight-line basis with a corresponding lease payable on the Organization’s financial statements.

Effective March 26, 2023, the Organization entered into an additional 60-month lease agreement with De Lage Landen Financial Services, Inc. for a Toshiba copier to be paid \$199 monthly. At the execution date, the value of the copier was \$9,055 with an 11.9% interest rate and is reported as a right of use asset depreciated for 5 years on a straight-line basis with a corresponding lease payable on the Organization’s financial statements.

The schedule of future-maturities for the lease payable is as follows:

<u>Payable To:</u>	<u>Date Lease Ends</u>	<u>Rate Of Interest</u>	<u>Balance as of June 30, 2024</u>
De Lage Landen Financial Services	1/25/2027	11.494%	\$ 10,852
De Lage Landen Financial Services	5/26/2023	11.900%	7,322
			<u>\$ 18,174</u>

The total lease payable schedule is as follows:

Years ending June 30:	<u>Principal</u>	<u>Interest</u>
Current Portion	\$ 5,561	\$ 1,866
2026	6,262	1,166
2027	4,465	443
2028	1,886	104
2029	-	-
TOTALS	<u>\$ 18,174</u>	<u>\$ 3,579</u>

NOTE 6: ECONOMIC DEPENDENCY

The Organization receives a significant portion of its revenue from funds provided through the federal and state grants. The grant amounts are appropriated each year by the federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of fund the Organization will receive in the next fiscal year.

NOTE 7: GRANTS, CONTRACTS, AND CLIENT FEES RECEIVABLE

The Organization has been awarded contracts to provide counseling services, education, residential and support services to area residents. The grants are considered to be exchange transactions rather than unconditional promises to give. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. In addition, the Organization receives fees from clients for counseling services. An allowance for uncollectable accounts has been established. However, we believe all accounts receivable will be collected; thus, the allowance for uncollectable accounts is \$0 as of June 30, 2024. Accounts receivable as of June 30, 2023 and 2024 is as follows:

ACCOUNTS RECEIVABLE AT YEAR END

	<u>2024</u>	<u>2023</u>
Current Receivables	\$ 175,684	\$ 120,994
1-30 Days Past Due	53,015	68,965
30-60 Days Past Due	-	-
Over 60 Days Past Due	30,202	8,352
Over 90 Days Past Due	33,053	-
<i>Allowance For Doubtful Accounts</i>	-	-
TOTAL RECEIVABLES	<u>\$ 291,954</u>	<u>\$ 198,311</u>

NOTE 8: FAIR VALUE MEASUREMENTS

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 measurement of fair value more consistent and comparable.

FASB ASC Topic 820 defines fair value 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 assumption in determining the fair value of investments).

Fair Value of assets measured on a recurring basis at June 30, 2023 and 2024 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active markets For Identical Assets (Level 1)</u>	<u>Significant other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
2024				
Edward Jones Investments	\$ 370,028	\$ 370,028	\$ -	\$ -
CSCF Investments	<u>53,596</u>	<u>-</u>	<u>-</u>	<u>53,596</u>
	<u>\$ 423,624</u>	<u>\$ 370,028</u>	<u>\$ -</u>	<u>\$ 53,596</u>
2023				
Edward Jones Investments	\$ 405,274	\$ 405,274	\$ -	\$ -
CSCF Investments	<u>50,731</u>	<u>-</u>	<u>-</u>	<u>50,731</u>
	<u>\$ 456,005</u>	<u>\$ 405,274</u>	<u>\$ -</u>	<u>\$ 50,731</u>

NOTE 9: RETIREMENT PLAN

The Organization maintains a tax-deferred simplified employee pension plan retirement plan for its employees who have worked for the Organization one year and earned at least \$5,000 in compensation in said year and are expected to earn at least \$5,000 for the subsequent year. The Organization will match up to 3% of the employee's compensation. In addition, the Organization may make discretionary matching contributions equal to 2% of compensation for each employee who has at least \$5,000 of compensation. The Organization made contributions to the plan in the amount of \$14,555 and \$19,260 for the year ended June 30, 2023 and 2024 respectively.

NOTE 10: CONTINGENT LIABILITIES

The Organization participates in a number of federal and state assisted programs. These programs are audited in accordance with *Government Auditing Standard Single Audit Act Amendments of 1996*, if applicable in accordance with 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.

In addition, the Organization receives Medicaid funding by providing services to eligible clients. The funding is considered direct assistance to individuals and not federal financial assistance. Documentation of these services is subject to possible future audits by the funding agency which could result in the Organization being required to refund some of the fund received for those services provided. Management believes that the Organization is in substantial compliance with applicable laws and regulations related to Medicaid funding.

NOTE 11: CONCENTRATION OF CREDIT RISK

The Organization's accounts receivable consists of monies due primarily from various state, federal, local contracts, and programs. The fair value of these receivables approximates the recorded amounts as of June 30, 2023 and 2024.

The Organization maintains its cash balances in institutions insured by the 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. At year end, the Organization had no deposits that were not insured by FDIC insurance.

NOTE 12: FIXED ASSETS

	July 1, 2023	Additions	Deletions	June 30, 2024
Land	\$ 75,932	\$ -	\$ -	\$ 75,932
Buildings	2,011,785	42,958	-	2,054,743
Furniture & Fixtures	61,330	-	-	61,330
Right of Use - Copier	28,155	-	-	28,155
Office Equipment	121,983	58,856	-	180,839
Vehicles	50,000	-	-	50,000
	<u>2,349,185</u>	<u>101,814</u>	<u>-</u>	<u>2,450,999</u>
<i>Accumulated Depreciation</i>	(862,533)	78,502	-	(941,035)
Net Fixed Assets	<u>\$ 1,486,652</u>	<u>\$ 180,316</u>	<u>\$ -</u>	<u>\$ 1,509,964</u>

NOTE 13: CHEROKEE STRIP COMMUNITY FOUNDATION

The Youth and Family Services of North Central Oklahoma Designated Fund (the “Fund”) is an established component fund of the Cherokee Strip Community Foundation (the “Foundation”). The Foundation has legal ownership of the Fund and variance power over the Fund. YFSNCO is the beneficiary of the Fund and receives distributions from third party donors made directly to the Foundation. Income generated from the Fund may be used for any purpose of YFSNCO, and accordingly, represents an increase in unrestricted net assets of YFSNCO when received. The Fund has a market value of \$46,025 and \$50,731 as of June 30, 2023 and 2024 respectively.

Cherokee Strip Community Foundation

	<u>2024</u>	<u>2023</u>
Beginning Balance	50,731	46,025
Gains and Losses:		
Dividends	1,410	-
Interest	98	-
Realized Gains (Losses)	-	-
Unrealized Gains (Losses)	4,012	5,297
Contributions	-	-
(Distributions)	(1,975)	-
Fees:	<u>(680)</u>	<u>(591)</u>
Ending Balance	<u>\$ 53,596</u>	<u>\$ 50,731</u>

NOTE 14: INVESTMENTS

Investment returns related to the Organization’s Edward Jones investments is included with investment income earned by cash and cash equivalents on the consolidated statements of activities and changes in net assets at June 30, 2023 and 2024, and was comprised of the following:

Edward Jones

	2024	2023
Beginning Balance	\$ 405,314	\$ 148,842
Gains and Losses:		
Realized Gain (Loss)	-	-
Unrealized Gain (Loss)	25,123	6,472
Contributions	15,092	250,000
(Distributions)	(75,501)	-
Fees:	-	-
Ending Balance	\$ 370,028	\$ 405,314

NOTE 15: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Organization or Organization Board approves that action.

	2024	2023
Cash & Cash Equivalents	\$ 169,191	\$ 370,796
Accounts Receivable, Net, collected in Less than One Year	291,954	198,311
Edward Jones Investments	370,028	405,274
Cherokee Strip Community Foundation Investment	53,596	50,731
Total Financial Assets, Excluding Non-Current Receivables	884,769	1,025,112
Contractual or Donor-Imposed Restrictions:		
Cash Restricted to Specific Uses:		
Investment in Cherokee Strip Community Foundation	(53,596)	(50,731)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 831,173	\$ 974,381

NOTE 16: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through **August 29, 2024**, the date on which the financial statements were available to be issued, and no additional disclosures were required.

SUPPLEMENTARY

INFORMATION

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

To the Board of Directors
Youth and Family Services of North Central Oklahoma, Inc.
Enid, Oklahoma

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 Youth and Family Services of North Central Oklahoma, Inc.'s (a nonprofit Organization) which comprise the statement of financial position as of June 30, 2023 and 2024, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **August 29, 2024**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Youth and Family Services of North Central Oklahoma, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Youth and Family Services of North Central Oklahoma, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Youth and Family Services of North Central Oklahoma, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Youth and Family Services of North Central Oklahoma, Inc. financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robert St. Pierre

Robert St. Pierre C.P.A., P.C.
Stilwell, Oklahoma
August 29, 2024

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
Schedule of Federal Assistance
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Title	AL Number	Contract Period	Contract Amount	Revenue Recognized
<u>FEDERAL ASSISTANCE</u>				
<u>U.S. Department of Health and Human Services:</u>				
Basic Center Program	96.623	09/30/2022 09/29/2025	\$ 200,000	\$ 200,000
Transitional Living Program & Maternity Group Homes	93.550	09/30/2022 09/29/2025	250,000	236,181
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07/01/2023 06/30/2024	50,286	50,286
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			500,286	486,467
TOTAL FEDERAL ASSISTANCE			\$ 500,286	\$ 486,467

Note: The Schedule of Federal Assistance has been prepared on the accrual basis of accounting.

YOUTH AND FAMILY SERVICES OF NORTH CENTRAL OKLAHOMA, INC.
Schedule of State Assistance
For the Year Ended June 30, 2024

Grantor/Pass-Through Grantor Title	AL Number	Contract Period	Contract Amount	Revenue Recognized
STATE ASSISTANCE				
<u>Office of Juvenile Affairs:</u>				
Youth Services - Emergency Shelter	N/A	07/01/2023 06/30/2024	277,385	277,385
Community-At-Risk Services (CARS)	N/A	07/01/2023 06/30/2024	38,985	39,114
Youth Services - Prevention	N/A	07/01/2023 06/30/2024	369,187	339,135
Youth Services - Life Skills	N/A	07/01/2023 06/30/2024	23,286	22,536
Youth Services - Hiring & Retention	N/A	07/01/2023 06/30/2024	70,000	70,000
TOTAL OFFICE OF JUVENILE AFFAIRS			778,843	748,170
<u>Department of Mental Health & SAS:</u>				
General Population	N/A	07/01/2023 06/30/2024	1,000	-
Criminal Justice - Adult Drug Court	N/A	07/01/2023 06/30/2024	114,083	103,281
Criminal Justice - SQE - Mental Health	N/A	07/01/2023 06/30/2024	2,083	2,083
AFC Stars - Family Treatment Court Administration	N/A	07/01/2023 06/30/2024	77,800	77,800
AFC Stars - Family Treatment Support Services	N/A	07/01/2023 06/30/2024	27,200	27,200
Therapy	N/A	07/01/2023 06/30/2024	17,100	17,100
Criminal Justice - Substance Abuse	N/A	07/01/2023 06/30/2024	60,000	60,000
Criminal Justice - Substance Abuse - Outpatient - VBP	N/A	07/01/2023 06/30/2024	164,690	164,690
Criminal Justice - Offender Screenings	N/A	07/01/2023 06/30/2024	17,500	17,237
TOTAL DEPARTMENT OF MENTAL HEALTH & SAS			481,456	469,391
TOTAL STATE ASSISTANCE			\$ 1,260,299.33	\$ 1,217,561.00

Note: The Schedule of State Assistance has been prepared on the accrual basis of accounting.