

Mary Abbott Children's House  
Financial Statements  
December 31, 2022



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## Independent Auditor's Report

Board of Directors  
Mary Abbott Children's House  
Norman, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Mary Abbott Children's House (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 Mary Abbott Children's House as of December 31, 2022, 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.

#### ***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 Statement section of our report. We are required to be independent of Mary Abbott Children's House 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 Mary Abbott Children's House'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 Mary Abbott Children's House'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 Mary Abbott Children's House'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 state awards, as required by the Oklahoma Department of Human Services, is presented for purposes of additional analysis, and is not 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 schedule of state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standard***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of Mary Abbott Children's House'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 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 Mary Abbott Children's House'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 Mary Abbott Children's House's internal control over financial reporting and compliance.

*Mary E. Johnson & Associates PLLC*

Norman, Oklahoma  
October 16, 2023

**Mary Abbott Children's House**  
**Statement of Financial Position**  
December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 645,720
Receivables	
Contributions - Individuals	1,466
Contributions - Government	16,789
Contributions - United Way	29,375
Contributions - Grants	110,297
Contributions - Medical Program	23,850
Prepaid expenses	<u>16,170</u>
Total current assets	<u>843,667</u>

PROPERTY AND EQUIPMENT, net of  
accumulated depreciation

839,160

OTHER ASSETS

Other Investments - Long Term Certificate of Deposit	100,005
Beneficial interest in assets held by others	<u>128,049</u>
Total other assets	<u>228,054</u>

Total assets \$ 1,910,881

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 43,717
Accrued payroll	28,334
Accrued compensated absences	<u>20,318</u>
Total current liabilities	<u>92,369</u>

NET ASSETS

Without donor restriction	1,588,311
With donor restrictions	<u>230,201</u>
Total net assets	<u>1,818,512</u>
Total liabilities and net assets	<u><u>\$ 1,910,881</u></u>

See accompanying notes to the financial statements

**Mary Abbott Children's House**  
Statement of Activities  
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions			
Individuals	\$ 99,827	\$ 12,555	\$ 112,382
United Way	-	58,750	58,750
Government	188,416	40,000	228,416
Grants	200,018	112,000	312,018
Medical program	67,500	-	67,500
Investment return	(17,581)	-	(17,581)
Special events	149,330	-	149,330
Net assets released from restrictions	363,146	(363,146)	-
	1,050,656	(139,841)	910,815
<b>EXPENSES AND LOSSES</b>			
Program services	902,779	-	902,779
Fundraising services	43,723	-	43,723
Supporting services	107,249	-	107,249
	1,053,751	-	1,053,751
Hail storm loss	4,968	-	4,968
	1,058,719	-	1,058,719
<b>CHANGE IN NET ASSETS</b>	(8,063)	(139,841)	(147,904)
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,596,374	370,042	1,966,416
<b>NET ASSETS, END OF YEAR</b>	\$ 1,588,311	\$ 230,201	\$ 1,818,512

See accompanying notes to the financial statements.

**Mary Abbott Children's House**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**

	Total Program Services	Total Fundraising Expenses	General and Administrative	Total Functional Expenses
Salaries	\$ 462,424	\$ 9,234	\$ 41,348	\$ 513,006
Employee benefits	43,471	1,127	3,668	48,266
Other payroll expense	4,983	-	7,827	12,810
Payroll taxes	34,387	687	3,091	38,165
Total salaries and related expenses	545,265	11,048	55,934	612,247
Appreciation & Support	\$ 11,185	\$ 599	\$ 1,598	\$ 13,382
Audit & Accounting	9,904	531	1,415	11,850
Auto Mileage	309	17	44	370
Bank Fees	-	-	310	310
MDT Team	13,039	-	-	13,039
Client Services	12,855	-	-	12,855
Contract Labor	55,332	2,964	7,905	66,201
Credit Acceptance	-	-	4,050	4,050
Dues and Subscriptions	7,175	-	1,025	8,200
Equipment / Upgrade	11,940	640	1,706	14,286
Fundraising	-	18,748	-	18,748
Furniture	7,617	-	-	7,617
Insurance	17,693	948	2,528	21,169
Interest Expense	-	-	378	378
Janitorial	4,256	228	608	5,092
Legal & Professional	21,550	-	1,616	23,166
Miscellaneous	-	-	1,269	1,269
Printing & Postage	8,142	435	1,163	9,740
Repairs & Maintenance	21,645	1,160	3,092	25,897
Security	-	-	-	-
Supplies - Education	5,935	-	-	5,935
Supplies - Medical	902	-	-	902
Supplies - Office	8,543	458	1,220	10,221
Telephone	8,382	449	1,197	10,028
Therapy Dogs	7,164	-	-	7,164
Training	21,312	-	-	21,312
Travel	15,607	836	2,230	18,673
Utilities	12,088	648	1,727	14,463
Other Expenses	-	-	5,528	5,528
Website & Internet Expenses	25,822	1,383	3,689	30,894
Yard Maintenance	2,510	134	359	3,003
Total expenses before depreciation	856,172	41,226	100,591	997,989
Depreciation	46,607	2,497	6,658	55,762
Total functional expense	<u>\$ 902,779</u>	<u>\$ 43,723</u>	<u>\$ 107,249</u>	<u>\$ 1,053,751</u>

See accompanying notes to the financial statements.



**Mary Abbott Children's House**  
Statement of Cash Flows  
For the Year Ended December 31, 2022

OPERATING ACTIVITIES	
Change in net assets	\$ (147,904)
Adjustment to reconcile change in net assets to net cash used for operating activities	
Depreciation	55,763
Realized loss (gain) on investment	8,262
Unrealized loss (gain) on investments	16,067
Changes in assets and liabilities	
Contribution receivable	(10,316)
Grants receivable	127,807
Prepaid expenses	(12,898)
Accounts payable	5,277
Accrued expenses	<u>10,558</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>52,616</u>
INVESTING ACTIVITIES	
Purchase of property and equipment	(55,944)
Purchase of investments	<u>2,786</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(53,158)</u>
NET CHANGE IN CASH	(542)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>646,262</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 645,720</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Noncash investing and financing transaction	
Interest expense	<u>\$ 214</u>

See accompanying notes to the financial statements.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

*Principal Business Activity*

Mary Abbott Children's House (the Organization), formerly Child Abuse Response and Evaluation Center for Cleveland County, was incorporated December 11, 1996 to minimize further trauma to child abuse victims and their families by coordinating expert evaluation services in one location. In January 2002, the Organization changed its name to Mary Abbott Children's House. The Organization is an independent agency funded by grants from the National Children's Alliance, Child Abuse Multidisciplinary Act (CAMA), Victims of Crime Act (VOCA), United Way, and other organizations, as well as donations from individuals, businesses and other non-profit organizations.

*Financial Statement Presentation*

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic ASC 958 (previously Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Non-for-Profit Organizations*), which requires the Organization to report net assets based on the existence or absence of donor-imposed restrictions. Under these standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The financial statements of the Organization are prepared using the accrual method of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified as follows:

*Without Donor Restrictions –*

*Board designated* – Net assets not subject to donor-imposed stipulations but has been designated by the board for a particular purpose.

*Undesignated* – Net assets available for the various programs and administration of the Organization.

*With Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restricted net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*Beneficial Interest in Assets Held by Others*

The financial statements include the investments of the Mary Abbott Children's House Endowments ("Trust") formed in 2007 CFO Fund and 2011 OCCF Fund, which is maintained exclusively to support the charitable purposes, programs, and activities of the Organization. Trust investments are recorded at fair value. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statement of financial position. The realized and unrealized gains and losses are reported in the statement of activities. Investment fair values are determined by quoted market prices.

The Trust maintains a permanent endowment fund for general purposes. The Trust also maintains various special designated endowment funds for restricted purposes. The Trust is managed by the Endowment Committee board members who volunteer their time to the committee. Investment management is provided by a bank. The principal of the permanent endowment fund cannot be invaded except upon approval of at least 80% of the voting members of the Organization's Board of Directors. The principal of the various special designated endowment funds cannot be invaded except upon approval of at least 80% of the voting members of the Organization's Board of Directors, unless more restrictive requirements are imposed by the special designated fund's donors. The funds of the endowment are board designated and thus are shown as without donor restrictions net assets.

A distribution equal to 5% of the three-year moving average value of the funds' assets may be distributed to the Organization for general purposes or, in the case of special designated endowment funds, for such purposes and activities as set forth in the donor agreements.

*Contributions*

Gifts of cash and other assets are reported as restricted support if they are received with donor restriction that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restrictions net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions. With donor restrictions net assets whose restrictions are met in the year received are recorded in the financial statement as without donor restrictions.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES –  
(CONTINUED)**

*Concentrations of Credit Risks*

Financial instruments that potentially expose the Organization to concentrations of credit risk consist of cash and short-term promises to give. The Organization maintains cash at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

*Cash and Cash Equivalents*

For purpose of the statement of cash flows, cash includes interest bearing checking accounts.

*Receivables*

Promises to give (pledges) are reported in accordance with FASB Accounting Standards Codification Topic ASC 958, which requires the Organization to record unconditional promises to give as revenue when the promise is made. Conditional promises to give are recognized when the barrier of condition has been met. Pledges receivable expected to be collected in more than one year are discounted to reflect the time value of money. All pledges are considered collectible. Based upon management's assessment of relationships with donors, it has concluded that any uncollected amounts would be immaterial. There were \$156,461 promises to give (pledges) as of December 31, 2022, which includes Contributions-Government, Contributions-United Way and Contributions- Grants on the Statement of Financial Position. All are collectible within one year.

*Property and Equipment*

Property and equipment are recorded at cost. Contributed assets are recorded at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Depreciable Life</u>
Buildings and improvements	9 to 30 years
Furniture and fixtures	3 to 10 Years

The Organization capitalizes property and equipment with a useful life of more than one year and a cost or fair market value on the date of donation with a value of \$1,000 or greater. Depreciation expense for 2022 was \$55,763.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES –  
(CONTINUED)**

*Donated Supplies and Services*

The Organization records the value of donated facilities, services, and supplies when there is an objective basis available to measure their value. Such donations are reflected as in-kind contributions in the accompanying statements at their estimated values at the date of receipt. Volunteers regularly donated their time to the Organization's program services. These amounts do not qualify for recording in the financial statements in accordance with FASB Accounting Standards Codification Topic ASC 958. A substantial number of volunteers who serve on the Board of Directors and many committees donate significant amounts of their time. No amount has been reflected in the statements for these services. No objective basis is available to measure the value of such services.

*Estimates*

The preparation of financial statements in conformity with U.S. 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 amount of revenues and expenses during the reporting period. Actual result could differ from those estimates.

*Income Taxes*

The Organization has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation within the meaning of Section 509(a)(2).

The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Organization is no longer subject to Federal and state tax examination by tax authorities for years before 2017.

*Functional Expenses*

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to programs and supporting services. Payroll and related benefit expenses are allocated on time and effort, remaining expenses are allocated based on square footage.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 2 - AVAILABILITY AND LIQUIDITY**

The following reflects the Organization'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 within one year of the statement of financial position and board designations.

Financial assets at year end:	
Cash and cash equivalents	\$ 645,720
Receivables	
Contributions - Individuals	1,466
Contributions - Government	16,789
Contributions - United Way	29,375
Contributions - Grants	110,297
Contributions - Medical program	23,850
Beneficial interest in assets held by others	128,049
Total financial assets	\$ 955,546
Less amounts not available to be used within one year:	
Net assets with donor restrictions	\$ (230,201)
Board Designations:	
Beneficial interest in assets held by others	(128,049)
Amount set aside for liquidity reserve	(235,513)
Financial assets available to meet cash needs for general expenditures within one year	\$ 361,783

As part of the Organization's liquidity management, they strive to maintain approximately \$235,513 in reserves to cover approximately 2 months of expenses. As of December 31, 2022, the Organization does have \$100,000 available on a line of credit to meet cash flow needs. As of report date, the available balance is \$100,000.

**NOTE 3 - PROPERTY AND EQUIPMENT**

The carrying value of such assets at December 31, 2022 is as follows:

<u>Nondepreciable:</u>	
Land	\$ 18,375
West Parking Lot	83,441
<u>Depreciable:</u>	
Victorian house	\$ 304,564
Furniture and fixtures	424,562
Leasehold improvements	234,781
Annex building	643,347
	1,709,070
Less accumulated depreciation	(869,910)
Property and Equipment, Net	\$ 839,160

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 4 - COMPENSATED ABSENCES**

Employees of the Organization accrue vacation payroll benefits based on their employment status and tenure. Employees can carry over a maximum of one year of vacation time. The Organization's compensated absences for vacation accrual as of December 31, 2022 are \$20,318.

**NOTE 5 - EMPLOYEE BENEFIT PLAN**

The Organization offers a simple IRA plan (the Plan) to all employees with contributions up to 3% of gross salary. Total contributions to the Plan during the year ended December 31, 2022 were \$5,296.

**NOTE 6 - FUNDRAISING ACTIVITIES**

The Organization hosts a luncheon during the year as well as other small activities to raise funds for the Organization. The revenues from these events are reported on the Statement of Activities as revenue from Special Events. Direct and indirect costs associated with these activities are reported on the Statement of Activities as Expenses from Fundraising Services.

**NOTE 7 - NET ASSETS**

Net Assets without donor restrictions at year end consisted of the following:

Net Assets without donor restrictions	\$ 1,224,749
Board designated net assets	
Endowment (Assets Held by Others)	128,049
60 Day Operating Reserve	<u>235,513</u>
Total board designated net assets	<u>363,562</u>
Total net assets without donor restrictions	<u><u>\$ 1,588,311</u></u>

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 7 – NET ASSETS (continued)**

Net assets with donor restrictions at year end are available for the following purposes:

Specific Purpose	
Medical assessment program	\$ 88,219
Forensic Interview Program	66,009
Personnel	7,741
Training	9,500
Rent/Utilities/Other	3,057
Passage of Time	
Restricted for 2023	55,675
Net assets with donor restrictions	<u>\$ 230,201</u>

Net assets which were released from donor restrictions are as follows:

Purpose Restrictions accomplished:	
Medical program	\$ 71,680
Personnel	129,163
Professional Services	11,850
Rent/Utilities/Other	27,775
Forensic Interview Program	46,127
Therapy Dogs	6,787
Courtyard	3,101
Time restrictions expired:	
Passage of specified time	66,663
Total net asset restrictions released	<u>\$ 363,146</u>



**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 8 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Organization is the beneficiary of distributions from a designated endowment fund (the CFO Fund) under the control of the Communities Foundation of Oklahoma (CFO). As of December 31, 2022, the CFO Fund totaled \$100,913. The purpose of the Fund is for the maintenance and care of the current house and the planned new addition. Accordingly, the Organization has reflected the Fund at CFO as beneficial interest in assets held by other in the accompanying statement of financial position. The CFO Fund is invested as part of pooled investments at the CFO and will therefore receive a proportionate share of income and capital appreciation/loss. Disbursements are made at the discretion of the CFO. The Fund was established in 2007 and distributions of \$5,495 from the fund were received by the Organization during 2022.

The Organization has an additional investment with CFO for \$21,122 that includes contributions made by others for the benefit of the Organization. The CFO board has the power to modify the donor's stipulations under certain circumstances as the CFO board monitors the changing needs of the community. As such, this amount is not included as an asset but distributions are recorded as contributions when received. Distributions of \$1,150 were made during 2022.

The Organization is also the beneficiary of distributions from another designated endowment fund under the control of the Oklahoma City Community Foundation ("OCCF"). As of December 31, 2022, the endowment fund totaled \$27,136. The purpose of the endowment fund is to support the operations of the Organization. Accordingly, the organization has reflected the endowment fund at OCCF as beneficial interest in assets held by others in the accompanying statement of financial position. The endowment fund is invested as part of pooled investments at the OCCF and will therefore receive a proportionate share of income and capital appreciation/loss. Distributions are made at the discretion of the OCCF.

The endowment fund was established in 2011 and distributions of \$1,491 from the fund were received by the Organization during 2022.

During 2022, the Organization has an additional investment with OCCF of \$38,425 that includes contributions made by others for the benefit of the Organization. The OCCF board has the power to modify how these funds are distributed in order to ensure that the donor intent is being met as nearly as possible if circumstances change. This amount is not included as an asset, but distributions are recorded as contributions when received. During 2022, the Organization had received \$2,046 in distributions of this fund which were recorded as contributions. Distributions are calculated as 5% of the market value of the fund, averaged over eight quarters.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 9 - INVESTMENT RETURN**

The Organization's investment return at December 31, 2022 is as follows:

	Without Donor Restrictions
Interest and dividends	\$ 2,284
Realized gains (losses)	1
Unrealized gains (losses)	(21,137)
Interest from bank accounts	2,548
Endowment management fees	(1,277)
Total	\$ (17,581)

**NOTE 10 - FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable (Level 2)	Unobservable Inputs (Level 3)
Beneficial interest in assets held by others				
by others at CFO	\$ 100,913	\$ -	\$ 100,913	\$ -
by others at OCCF	27,136	-	27,136	-
Total assets	\$ 128,049	\$ -	\$ 128,049	\$ -

Fair values for beneficial interest in assets held by others have been determined by third party investment sources.

The guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Subsequent to year end there have been material declines of beneficial interest in assets held by others due to market conditions.

**Mary Abbott Children's House**  
Notes to the Financial Statements  
December 31, 2022

**NOTE 11 - LINE OF CREDIT**

In October 2014, Mary Abbott Children's House obtained a \$100,000 line of credit with option of renewal each year and with current maturity of October 2022 with 4.00% interest. Line of Credit has a remaining available line of credit balance of \$100,000, as of December 31, 2022. This loan is collateralized by the Organization's real property located in Cleveland County, Oklahoma.

**NOTE 12 - CONDITIONAL PROMISE TO GIVE**

During fiscal year 2022, the Organization received restricted contributions to be paid to the Organization, once expenses have been incurred and the Organization remits invoices to donor. As of December 31, 2022, \$377,463 has been recorded as without donor restrictions contributions, with a remaining amount of \$205,772 of the contribution amount which is not recorded as contribution revenue until donor conditions are met.

**NOTE 13 - CONTINGENCIES**

During 2022, the worldwide coronavirus pandemic continued to impact local, national and global economies. The Organization is closely monitoring their operations and available fund balances and actively working to minimize current and future impacts of the unprecedented situation. As of date of issuance of these financial statements, the current and future full impact to the Organization is not known.

**NOTE 14 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent event through the date which the financial statements were made available to be issued.

**Mary Abbott Children's House**  
 Supplement Schedule – Schedule of State Awards  
 For the year ending December 31, 2022

	<u>Contract</u>	<u>Period of Contract</u>	<u>Contract not to exceed</u>	<u>Amount Recognized as Revenue</u>	<u>Amount Recognized as Expenses</u>
<b><u>Department of Human Services</u></b>					
Child Abuse Multidisciplinary Account Funds	PA# 19007189	1/1/21-12/31/21	\$ 121,216	\$ -	\$ 28,226
Child Abuse Multidisciplinary Account Funds	PA# 19007189	1/1/22-12/31/22	\$ 151,360	\$ -	\$ 140,562
				<u>\$ -</u>	<u>\$ 168,788</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of state awards includes the state activity of Mary Abbott Children's House and is presented on the accrual basis of accounting. The information in in this schedule is presented in accordance with the requirements of Oklahoma Department of Human Services.



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  
Mary Abbott Children's House  
Norman, 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 Mary Abbott Children's House (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement 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 October 16, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mary Abbott Children's House's internal control over financial reporting (internal control) as a basis for designing the 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 the Mary Abbott Children's House's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mary Abbott Children's House'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 the 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 might be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Mary Abbott Children’s House’s financial statements are free from material misstatements, 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 the organization’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 organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Norman, Oklahoma  
October 16, 2023