

Child Welfare Citizens Board of Oklahoma

Financial Statements

December 31, 2019

## Child Welfare Citizens Board of Oklahoma

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**INDEPENDENT AUDITOR'S REPORT**

To Management and the Board of Directors of  
Child Welfare Citizens Board of Oklahoma

**Report on the Financial Statements**

We have audited the accompanying financial statements of Child Welfare Citizens Board of Oklahoma (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and other changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility 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; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Welfare Citizens Board of Oklahoma as of December 31, 2019, 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.

***Other Matters***

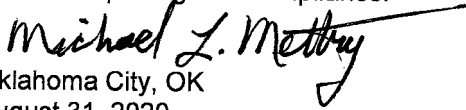
***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, on our consideration of Child Welfare Citizens Board of Oklahoma'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 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 Child Welfare Citizens Board of Oklahoma's internal control over financial reporting and compliance.



Oklahoma City, OK  
August 31, 2020

**Child Welfare Citizens Board of Oklahoma  
Statement of Financial Position  
December 31, 2019**

**Assets**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 74,883
Grant Receivable	12,500
Prepaid Insurance	<u>4,251</u>
Total Current Assets	<u>91,634</u>
<b>Property and Equipment</b>	
Furniture and equipment	111,189
Buildings	76,030
Land	<u>7,564</u>
	194,783
Less Accumulated Depreciation	<u>(133,211)</u>
Net Property and Equipment	<u>61,572</u>
Total Assets	<u><u>\$ 153,206</u></u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>	
Payroll Taxes Payable	<u>\$ 1,729</u>
Total Current Liabilities	<u>1,729</u>
Total Liabilities	<u>1,729</u>
<b>Net Assets</b>	
Without Donor Restrictions	151,477
With Donor Restrictions	<u>-</u>
Total Net Assets	<u>151,477</u>
Total Liabilities and Net Assets	<u><u>\$ 153,206</u></u>

See independent auditor's report and notes

**Child Welfare Citizens Board of Oklahoma  
Statement of Activities and  
Other Changes in Net Assets  
for the year ended December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues, gains and other support			
Grants	\$ 141,637	\$ -	\$ 141,637
Contributions	7,383	-	7,383
Fund Raiser	5,485	-	5,485
Interest Income	97	-	97
Total revenues, gains and other support	<u>154,602</u>	<u>-</u>	<u>154,602</u>
Expenses			
Program Expenses	103,625	-	103,625
Management and General	57,950	-	57,950
Fundraising	2,192	-	2,192
Total Expenses	<u>163,767</u>	<u>-</u>	<u>163,767</u>
Change in Net Assets	(9,165)	-	(9,165)
Prior Period Adjustment	(227)	-	(227)
Net Assets at Beginning of Year	<u>160,869</u>	<u>-</u>	<u>160,869</u>
Net Assets at End of Year	<u>\$ 151,477</u>	<u>\$ -</u>	<u>\$ 151,477</u>

See independent auditor's report and notes

**Child Welfare Citizens Board of Oklahoma  
Statement of Functional Expenses  
for the year ended December 31, 2019**

	<u>Supporting Services</u>			<b>Total</b>
	<b>Program Expenses</b>	<b>Management and General</b>	<b>Fundraising</b>	
Expenses				
Salaries	\$ 66,264	\$ -	\$ 564	\$ 66,828
Payroll Taxes	6,344	-	-	6,344
Professional Dues	414	-	-	414
Training	10,664	-	-	10,664
Contract Services	1,000	-	-	1,000
Contract Interviews	18,939	-	-	18,939
Travel and Meetings	-	4,644	-	4,644
Legal and Accounting	-	10,016	-	10,016
Insurance	-	6,823	-	6,823
Bank Service Charges	-	266	-	266
Office Supplies	-	6,308	58	6,366
Fundraiser expense	-	-	1,500	1,500
Information technology	-	6,172	57	6,229
Luncheon	-	2,575	-	2,575
Occupancy	-	4,405	-	4,405
Advertising	-	1,394	13	1,407
Repairs	-	223	-	223
Postage	-	289	-	289
License & Permits	-	94	-	94
Alarm System	-	1,008	-	1,008
Maintenance	-	5,177	-	5,177
Membership Fees	-	1,810	-	1,810
Depreciation Expense	-	6,747	-	6,747
<b>Total Expenses</b>	<b>\$ 103,625</b>	<b>\$ 57,950</b>	<b>\$ 2,192</b>	<b>\$ 163,767</b>

See independent auditor's report and notes

**Child Welfare Citizens Board of Oklahoma  
Statement of Cash Flows  
for the year ended December 31, 2019**

<b>Cash Flows from Operating Activities</b>	
Cash received from support	\$ 159,805
Interest received	97
	159,902
Cash paid for operating expenses	156,589
Cash paid for interest expense	-
	156,589
<b>Net Cash Flows from Operating Activities</b>	3,313
<b>Cash Flows from Investing Activities</b>	
Gain (loss) from sale of furniture and equipment	-
Prior period adjustment	(227)
Purchases of property and equipment	-
<b>Net Cash Flows from (used by) Investing Activities</b>	(227)
<b>Cash Flows from Financing Activities</b>	
Note Payable increase (decrease)	-
<b>Net Cash Flows from (used by) Financing Activities</b>	-
Net Change in Cash and Cash Equivalents	3,086
Beginning Cash and Cash Equivalents	71,797
<b>Ending Cash and Cash Equivalents</b>	\$ 74,883

**Reconciliation of Change in Net Assets  
to Net Cash Flows from Operating Activities**

<b>Change in Net Assets</b>	\$ (9,165)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation expense	6,747
(Gain) loss from sale of furniture and equipment	-
Changes in assets and liabilities:	
(Increase) decrease in grants receivable	5,300
(Increase) decrease in prepaid expenses	(66)
Increase (decrease) in accrued liabilities	497
<b>Net Cash Flows from Operating Activities</b>	\$ 3,313
<b>Non cash purchase of assets</b>	\$ -

See independent auditor's report and notes



Child Welfare Citizens Board of Oklahoma  
Notes to Financial Statements

**A. Nature of activities and significant accounting policies**

Organization and nature of activities:

Child Welfare Citizens Board of Oklahoma was incorporated on August 19, 1992 as a not-for-profit corporation without capital stock under the laws of the State of Oklahoma. The purpose of the Organization is to provide a safe, child-friendly environment for abused children.

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America. The accounting policies for these items and other significant accounting policies of the Organization are presented below.

The Organization is supported primarily through grants from National Children's Alliance (NCA), Child Abuse Multi-Disciplinary Account (CAMA), Victims of Crime Act (VOCA), and United Way.

Restrictions on net assets:

Revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Without donor restrictions: Net assets that are not subject to any donor-imposed stipulations.

With donor restrictions: Net assets subject to donor-imposed restrictions on their use that may be met either by actions or the passage of time. Net assets subject to donor-imposed or other legal restrictions that require the principal be maintained permanently. Generally, the donors permit the use of all or part of the income earned for either general or donor-specified purposes.

Cash and cash equivalents:

For purposes of presentation on the statement of cash flows, The Organization considers all highly liquid investment accounts with initial maturities of three months or less to be cash equivalents.

Grants receivable:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Child Welfare Citizens Board of Oklahoma  
Notes to Financial Statements

Contributed services:

During the year the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Income taxes:

The Organization is exempt from federal income tax under Section 501 © (3) of the Internal Revenue Code and annually files IRS Form 990. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization evaluates and accounts for uncertain tax positions, if any, in accordance with current accounting guidance, including the Organization's evaluation of its uncertain tax positions. Management determined no uncertain tax positions exist which would require the Organization to book a liability for the uncertain tax positions in its financial statements.

Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and equipment:

Property and equipment is capitalized at cost and depreciated using the straight-line method and accelerated methods. Purchases of \$500.00 or more are capitalized. No planned major maintenance policy exists. Maintenance is done when needed and assets are purchased when needed.

Contributions:

Contributions received are recorded without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions.

Concentration of contributions or grants:

Approximately 58% of the Organization's funding is provided from a grant from Child Abuse Multi-Disciplinary Account (CAMA).

Credit risk:

The Organization maintains cash and cash equivalents with commercial banks that are insured by the Federal Deposit Insurance Corporation.

Child Welfare Citizens Board of Oklahoma  
Notes to Financial Statements

**Advertising:**

Advertising costs are expensed in the year incurred.

**Professional liability coverage:**

The Organization purchases professional liability and worker's compensation insurance on a fixed premium basis.

**B. Promises to give**

The Organization has no promises to give.

**C. Functional allocations of expenses**

The costs of providing 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 based on the direct costs and other methods. Expenses were allocated to fundraising expense by dividing fundraising expense by total expense which equals 0.9159%.

**D. Subsequent events**

The Organization has evaluated subsequent events through August 31, 2020, the date which the financial statements were available to be issued.

## **Supplemental Information**

**Child Welfare Citizens Board of Oklahoma  
 Schedule of Expenditures of State Awards  
 for the year ended December 31, 2019**

<u>State Program Title</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Revenue Received</u>	<u>Expenditures</u>
Fee for Service Contracts				
<u>Department of Human Services</u>				
<u>Child Welfare Services</u>				
Child Abuse Multidisciplinary Account	01/01/2019 - 12/31/2019	\$ 82,188	\$ 82,188	\$ 82,188
Total Cost Reimbursement			<u>\$ 82,188</u>	<u>\$ 82,188</u>

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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*

To Management and the Board of Directors of  
Child Welfare Citizens Board of 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 Child Welfare Citizens Board of Oklahoma (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements 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 31, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Child Welfare Citizens Board of Oklahoma's internal control over financial reporting (internal control) to determine 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 Child Welfare Citizens Board of Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Child Welfare Citizens Board of Oklahoma'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-1 that we consider to be significant deficiencies.

**Compliance and Other Matters**

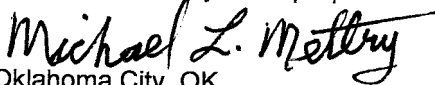
As part of obtaining reasonable assurance about whether Child Welfare Citizens Board of Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

**Child Welfare Citizens Board of Oklahoma's Response to Findings**

Child Welfare Citizens Board of Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Child Welfare Citizens Board of Oklahoma's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

  
Oklahoma City, OK  
August 31, 2020

**Child Welfare Citizens Board of Oklahoma**

**Schedule of Findings and Questioned Costs**

**December 31, 2019**

**Finding 2019-1**

**CONDITION:** Adjusting journal entries were not entered for the years end December 31, 2017 and 2018.

**CRITERIA:** Audit journal entries approved by the client are required to be entered into the client's books.

**CAUSE OF CONDITION:** Inconsistent and incomplete implementation of internal controls.

**POTENTIAL EFFECT OF CONDITION:** The financial statements are not correct.

**RECOMMENDATION:** Enter the audit journal entries.

**CLIENT RESPONSE:** Management, board president and treasurer will implement controls of audit adjusting journal entries.