

SOCIAL AND VOLUNTARY SERVICES COMMISSION FUNDING REQUEST

Legal Name of Agency: Mary Abbott Children's House
Mailing Address: P.O. Box 6316, Norman, OK 73070
Application completed by: Clint Williams
Telephone Number: 405-579-5800
Email Address: cwilliams@abbott-house.org

Amount of Funding Request: \$8,000

In what year was your Agency incorporated: 1996

Are you associated with a national organization: Though an independent non-profit organization, we are an accredited member of the National Children's Alliance.

Number of volunteers: 58

How many hours do volunteers donate: 754

How much money do volunteers save the agency: \$4,550.00

Has your Agency applied for SVSC funds before: Yes.

Year <u>2012</u>	Amount	<u>\$5,000</u>	Purpose <u>Internet Lab Equipment</u>
Year <u>2011</u>	Amount	<u>\$6,000</u>	Purpose <u>Facility Repair</u>
Year <u>2010</u>	Amount	<u>\$9,500</u>	Purpose <u>Education Program</u>
Year <u>2009</u>	Amount	<u>\$6,000</u>	Purpose <u>Operating Expenses</u>
Year <u>2008</u>	Amount	<u>\$1,500</u>	Purpose <u>Training for Development Director</u>
Year <u>2007</u>	Amount	<u>\$4,000</u>	Purpose <u>Equipment-Interview Room #2</u>

Put another way, Abbott House exists to reduce additional trauma after a child has been abused and sets them on the path to healing.

Client Population

The Mary Abbott Children's House serves Cleveland, Garvin, and McClain Counties, which comprise the 21st District Attorney's jurisdiction. The total population served is approximately 300,000, including diverse socio-economic groups. We also work with the Bureau of Indian Affairs, the Oklahoma State Bureau of Investigation, and the Federal Bureau of Investigation and have provided services upon request to 12 other Oklahoma counties. The targeted population is children, birth to 18 years of age. In 2012, Abbott House interviewed 555 children; 384 have been interviewed as of August 2013.

Programs and Services

Abbott House offers four distinct programs and services: forensic interviewing, medical assessment, family advocacy, and educational outreach. Abbott House also serves as the hub of the Child Abuse Response Team, Cleveland County's multidisciplinary approach to investigating child abuse and treating its victims. Forensic interviews are an integral element of the work at Abbott House and are conducted by two highly trained full-time members of the Abbott House staff. Through the interviewers' skill and experience and the highly specific protocols required by our national accrediting agency, forensic interviews are conducted that document the child's account of the instance of abuse in a way that is unbiased, non-judgmental, and court defensible.

Two types of medical assessments are performed by Abbott House's full-time registered nurse: acute and non-acute. Acute sexual exams follow the protocol of Sexual Assault Nurse Examiners and are used to collect DNA evidence from a child victim who has been sexually assaulted. Evidence collected is given to the law enforcement officer investigating the case and can be used against alleged perpetrators in court. Non-acute medical exams are head-to-toe assessments that establish overall health. These exams are offered to all children that come to Abbott House and are often a step toward a medical referral of some sort, such as a primary care provider or a dentist. Abbott House has developed a network of referrals that will see child victims regardless of their ability to pay.

The Family Advocate serves as a compassionate presence before, during, and after a family's visit to Abbott House. Recounting abuse can be traumatic not only for the child but for the entire family, and it is often the Family Advocate who begins to alleviate fear and apprehension. Family Advocates sit with the family while the interview is taking place, explaining the interview, answering questions, and providing referrals for counseling and other services. Additionally, a call is made to the family several days after the interview to address any further questions or concerns.

Abbott House supports a year-round educational outreach program focusing on three main groups: school counselors and principals, civic groups and the community at large, and parents and caregivers. Each fall and spring, Abbott House offers presentations to several local schools that are seeking continuing education credit for teachers and counselors. These presentations review the signs of sexual and physical abuse and explain how best to report disclosures to the appropriate authorities. Abbott House also offers general presentations about the organization and its mission to civic groups and the community at large. General presentations are conducted either in the context of the civic group's meeting or on site at Abbott House to facilitate a tour of

the building. The newest element of our outreach program is specifically designed for parents and caregivers. First presented this summer, parent and caregiver presentations focus on keeping children safe when they are in the supervision of adults who are not directly responsible for them, such as youth group leaders, babysitters, scout leaders, and parents of friends. The presentation highlights key questions that parents and caregivers should ask when assessing safety.

In addition to our four program areas, as the children's advocacy center for judicial district 21, Abbott House is also charged with coordinating Cleveland County's multidisciplinary team, the Child Abuse Response and Treatment team. In this role, Abbott House personnel host a monthly staffing meeting to review all cases associated with child abuse. Staffing meetings include representatives of the CART team from each associated discipline: law enforcement, district attorney's office, child protective services, mental health professionals, medical professionals, forensic interviewing staff, and children's advocacy center staff and administration. Through this collaborative work, all members of the multidisciplinary team have access to other disciplines and resources that allow for better care of child victims. As an outgrowth of this model, Abbott House provides on site office space for several members of the multidisciplinary team. Through this collocation, more efficient collaboration is fostered, and child victims are better served.

Duplication of Services

Per the guidelines of Abbott House's accrediting body, the National Children's Alliance, only one children's advocacy center can exist in each judicial district. As a result, no duplication of services is possible. Additionally, Abbott House ensures no services are duplicated through close collaboration with partner agencies such as Bethesda and the Center for Children and Families.

Staff Increase

We are currently in the hiring process to replace a staff member. This is a position that is in the budget and keeps the total number of staff at 7 full-time employees, the same employment as last year.

Specific project for which funding is being requested

The Mary Abbott Children's House is requesting \$8,000 to help fund our annual training and travel budget. In such a highly specialized field, training to keep staff members certified and up to date on the latest techniques and research trends is vital to the operation of the agency.

As we are hiring and training a new forensic interviewer, we will be sending our new employee to two nationally recognized trainings over the course of the next year (costing approximately \$3,500). Additionally, we would like to send our existing forensic interviewer to advanced interview training (approximately \$1,500). We also plan to send our Director of Nursing Services and our two Family Advocates to conferences for continuing education (approximately \$5,000). Finally, we set aside funds in our budget that are specifically allocated to continuing education for members of our multidisciplinary team (law enforcement investigators and child protective services workers). We regularly send MDT members to a well known annual conference in Dallas called Crimes Against Children (approximately \$1,000 each for 10 people).

An \$8,000 grant from the Social and Voluntary Services Commission would greatly defray the cost of our annual training and travel allocation.

Financial Information

All internal finances are controlled by a number of checks and balances within the organization.

- All incoming revenues and bills are scrutinized by two employees.
- Monthly bank statements, payroll reports and journal entries are reviewed and signed by the Treasurer.
- The Board Treasurer is not a signer on any agency account.
- The Board of Directors reviews monthly balance sheets and budget-to-actual reports on financial activity.
- The Board Finance Committee participates in the development of the annual proposed budget with input by staff and team members. Fundraising goals are set to meet the anticipated agency needs.
- During the development of the budget, each account line item is reviewed to determine if the current budget level is appropriate and if there are foreseeable changes that need to be factored into the new budget.
- The budget is reviewed and voted on by the full Board annually.
- A full independent audit is conducted annually.

Budget Comparison:

The 2013 operating budget projects expenses at \$551,611 which includes the costs associated with having medical personnel on staff for a full budget year.

2011 Budget: \$392,064.25 vs. 2011 Actual: \$368,422.08

2012 Revised Budget: \$480,902.45 vs. 2012 Actual: \$473,348

2013 Budget: \$551,610.63

2012 Budget

Jan to Mch

2012

Aprvd

2012 Rvvd

Income

Contributions Income	\$10,414.77	\$60,000.00	\$60,000.00
Fundraising Events	\$500.00	\$40,000.00	\$40,000.00
Grants - Contract	\$175,022.82	\$281,170.00	\$281,170.00
Grants	\$3,250.00	\$58,000.00	\$53,000.00
Med Program Fees		\$0.00	\$0.00

Total Income

\$189,187.59 \$439,170.00 \$434,170.00

Expense

Appreciation & Support	\$1,629.70	\$9,317.00	\$9,317.00
Audit & 990	\$0.00	\$10,400.00	\$10,400.00
Auto Mileage	\$164.87	\$1,800.00	\$1,800.00
CART Team	\$332.30	\$3,940.00	\$3,940.00
Contract Labor		\$4,100.00	\$4,100.00
Contract Labor Medical	\$500.00	\$0.00	\$0.00
Court School	\$0.00	\$150.00	\$150.00
Credit Acceptance	\$23.25	\$500.00	\$500.00
Dues and Subscriptions	\$3,700.00	\$4,455.00	\$4,455.00
Equipment / Software	\$760.00	\$8,325.00	\$8,325.00
Fundraising	\$250.00	\$7,500.00	\$15,500.00
Fundraising - Endow		\$1,000.00	\$1,000.00
Furniture		\$1,550.00	\$1,550.00
Insurance		\$7,500.00	\$8,100.00
Interest Expense		\$150.00	\$150.00
Janitorial	\$885.00	\$3,600.00	\$3,600.00
Newsletter/Post		\$3,000.00	\$3,000.00
Supplies Medical	\$386.08	\$1,500.00	\$1,500.00
Supplies Office	\$919.01	\$6,000.00	\$6,000.00
Supplies Education		\$1,000.00	\$1,000.00
Personnel	\$60,613.85	\$301,389.20	\$334,950.45
Printing & Postage	\$270.30	\$3,500.00	\$3,500.00
Repairs & Maintenance	\$802.39	\$7,500.00	\$7,500.00
Security		\$750.00	\$750.00
Telephone	\$1,453.34	\$3,500.00	\$4,765.00
Training	\$158.55	\$15,000.00	\$15,000.00
Travel	\$393.20	\$15,000.00	\$15,000.00
Utilities	\$2,407.55	\$14,000.00	\$14,000.00
Yard Maintenance	\$365.75	\$750.00	\$1,050.00

Total Expense

\$76,015.14 \$437,176.20 \$480,902.45

Net Income

\$113,172.45 \$1,993.80 -\$46,732.45

Asset Purchase

\$33,000.00 \$232,000.00

Total Expend

\$470,176.20 \$712,902.45

Asset Purchases

Asset

Est Cost

Colposcope	\$15,000.00
Chairs for Observ 1	\$1,000.00
Snd Panel Int 1	\$2,500.00
Snd Prf Wind	\$12,000.00
2 Cmp Wrk Sts	\$2,500.00
Parking Lot	\$40,000.00
Trsf to Endow	\$70,000.00
Internet Lab Equip	\$60,000.00
Website / Dnr Mang	\$8,000.00
Porch Renov	\$10,500.00
Med Room Equip	\$7,500.00
Aquarium	\$3,000.00
	\$232,000.00

Asset Income

Raised for Endow	\$25,000.00
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2013 Budget Approved 12/12/12

Income	Jan to Sept 2012	2012 Rvsd	2013
Contributions Income	\$27,585.76	\$60,000.00	\$60,000.00
Fundraising Events	\$11,590.00	\$40,000.00	\$41,000.00
Grants - Contract	\$148,523.00	\$281,170.00	\$280,611.50
Grants	\$9,250.00	\$53,000.00	\$136,000.00
Med Program Fees	\$7,200.00	\$0.00	\$15,000.00
Total Income	\$204,148.76	\$434,170.00	\$532,611.50

Expense

Appreciation & Support	\$5,310.25	\$9,317.00	\$9,437.00
Audit & 990	\$7,900.00	\$10,400.00	\$14,000.00
Auto Mileage	\$1,349.76	\$1,800.00	\$1,800.00
CART Team	\$1,214.13	\$3,940.00	\$3,940.00
Contract Labor	\$4,680.00	\$4,100.00	\$4,100.00
Contract Labor Medical		\$0.00	\$0.00
Court School		\$168.00	\$0.00
Credit Acceptance	\$107.65	\$500.00	\$500.00
Dues and Subscriptions	\$3,913.00	\$4,455.00	\$7,330.00
Equipment / Software	\$5,166.90	\$8,325.00	\$9,450.00
Fundraising	\$6,185.19	\$15,500.00	\$15,500.00
Fundraising - Endow		\$1,000.00	\$1,000.00
Furniture		\$1,850.00	\$0.00
Insurance	\$8,329.00	\$8,100.00	\$8,910.00
Interest Expense		\$150.00	\$150.00
Janitorial	\$2,655.00	\$3,600.00	\$3,600.00
Newsletter/Post		\$3,000.00	\$0.00
Supplies Medical	\$3,448.39	\$1,500.00	\$2,500.00
Supplies Office	\$8,128.88	\$6,000.00	\$6,000.00
Supplies Education	\$183.00	\$1,000.00	\$1,000.00
Personnel	\$230,813.13	\$334,950.45	\$399,473.63
Printing & Postage	\$947.31	\$3,500.00	\$3,500.00
Repairs & Maintenance	\$16,183.82	\$7,500.00	\$7,500.00
Security	\$76.66	\$750.00	\$750.00
Telephone	\$3,977.89	\$4,765.00	\$6,120.00
Training	\$4,896.32	\$15,000.00	\$15,000.00
Travel	\$9,969.05	\$15,000.00	\$15,000.00
Utilities	\$6,826.93	\$14,000.00	\$14,000.00
Yard Maintenance	\$1,037.75	\$1,050.00	\$1,050.00

Total Expense \$333,300.01 \$480,902.45 \$551,610.63

Net Income	-\$129,151.25	-\$46,732.45	-\$18,999.13
Asset Purchase		\$33,000.00	\$27,250.00
Total Expend		\$513,902.45	\$578,860.63
Desg fr cash resrv			\$35,000.00
Total Net			<u>-\$11,249.13</u>

Asset Purchases

Asset	Est Cost
Ice Maker Repair	\$800.00
Stove Top	\$1,500.00
Server Storage	\$750.00
Generator	\$25,000.00

\$27,250.00

Asset Income

Raised for Endow	\$25,000.00
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2013 Board of Directors

Name	Profession
Lisa Allen	VP Marketing, Norman Chamber
Kristopher Boyd	Banking, Republic Bank & Trust
Colby Bramlett	A/V and Marketing Professional
Richard A. Carlson, MD	Physician, Retired
Barb Kruger	Community Volunteer
Russell W. Driver, PhD	Professor Emeritus, Consultant, OU
Anne J Ederington	Community Volunteer
Gloria Jean Fenn	Speech & Language Pathologist, Retired
Susie Graves	Dir of Wom & Chd Serv, NRH
Kevin Hopper	Banking, Arvest Bank & Trust
Trudy Sickles	Community Volunteer
Jeanne M. Snider	Assistant City Attorney
Meredith Tipton	Lawyer
Kerry Wilhoit	Banking, McClain Bank
Heather Woods	Property Management

Mary Abbott Children's House Staff

Name	Position
Clint Williams	Executive Director
Kathe Cantrell	Family Adv / Vol Coord
Lisa Dunson	Director fo Nursing Services
Kristin Langrehr	Family Adv / Ed Outreach
Heidi Smith	Office Manager
Natalie Wade	Forensic Interviewer

Internal Revenue Service

**Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201**

Date: March 19, 2002

**Mary Abbott Children's House, Inc.
P. O. Box 6313
Norman, OK 73070-6316**

Person to Contact:
Annette J. Scales 31-07381
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 8:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
73-1512416

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested. This is in response to the amendment to your organization's Articles of Incorporation filed with the state on January 22, 2002. We have updated our records to reflect the name change as indicated above.

Our records indicate that a determination letter issued in January 1998 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Mary Abbott Children's House, Inc.
73-1512416

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

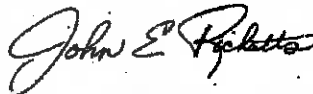
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Ricketts". The signature is fluid and cursive, with the first name "John" being the most prominent.

John E. Ricketts, Director, TE/GE
Customer Account Services

Mary Abbott Children's House
Financial Statements
December 31, 2012

RHJ

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RAHHALE HENDERSON JOHNSON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

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, 2012, and the related statements of activities, 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 *Governmental 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 of 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

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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 Mary Abbott Children's House as of December 31, 2012, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 12, 2013, 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 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 Mary Abbott Children's House's internal control over financial reporting and compliance.

Rakhal Henderson Johnson, PLLC

Ardmore, Oklahoma
July 12, 2013

Mary Abbott Children's House
Statement of Financial Position
December 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 414,675
Receivables	
Contributions	2,700
Grants	<u>208,624</u>
Total current assets	<u>625,999</u>

OTHER ASSETS

Beneficial interest in assets held by others	<u>86,587</u>
Total other assets	<u>86,587</u>

**PROPERTY AND EQUIPMENT, net of
accumulated depreciation**

673,503

Total assets	<u><u>\$ 1,386,089</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,329
Accrued payroll	16,335
Accrued compensated absences	<u>7,426</u>
Total current liabilities	<u>28,090</u>

NET ASSETS

Unrestricted	
Undesignated, available for general activities	140,912
Investment in property and equipment	673,503
Board designated	<u>326,090</u>
Total unrestricted net assets	1,140,505
Temporarily restricted	<u>217,494</u>
Total net assets	<u>1,357,999</u>
Total liabilities and net assets	<u><u>\$ 1,386,089</u></u>

See accompanying notes to the financial statements.

Mary Abbott Children's House
Statement of Activities
For the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Contributions	48,235	-	\$ 48,235
Grants	28,806	282,247	311,053
Investment return	11,138	-	11,138
Special events	35,311	-	35,311
In-kind revenue	8,100	-	8,100
Other income	14,400	-	14,400
Net assets released from restrictions	301,996	(301,996)	-
	<u>447,986</u>	<u>(19,749)</u>	<u>428,237</u>
Total support and revenue			
	<u>447,986</u>	<u>(19,749)</u>	<u>428,237</u>
EXPENSES			
Program services	368,853	-	368,853
Fundraising services	43,334	-	43,334
Supporting services	111,242	-	111,242
	<u>523,429</u>	<u>-</u>	<u>523,429</u>
Total expenses			
	<u>523,429</u>	<u>-</u>	<u>523,429</u>
CHANGE IN NET ASSETS	<u>(75,443)</u>	<u>(19,749)</u>	<u>(95,192)</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,215,948</u>	<u>237,243</u>	<u>1,453,191</u>
NET ASSETS, END OF YEAR	<u>\$ 1,140,505</u>	<u>\$ 217,494</u>	<u>\$ 1,357,999</u>

See accompanying notes to the financial statements.

Mary Abbott Children's House
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Total Program Services	Total Fundraising Expenses	General and Administrative	Total Functional Expenses
Salaries	\$ 200,680	\$ 18,564	\$ 69,398	\$ 288,642
Employee benefits	9,153	853	3,027	13,033
Other payroll expense	1,019	-	2,887	3,906
Payroll taxes	15,352	1,420	5,309	22,081
 Total salaries and related expenses	 226,204	 20,837	 80,621	 327,662
 Appreciation & Support	 \$ -	 \$ -	 \$ 8,122	 \$ 8,122
Audit	8,442	452	1,206	10,100
Auto Mileage	1,316	71	188	1,575
CART Team	1,561	-	-	1,561
Contract Labor	4,140	-	-	4,140
Credit Acceptance	-	-	267	267
Dues and Subscriptions	1,878	-	3,444	5,322
Equipment / Upgrade	8,502	-	-	8,502
Fundraising	-	15,629	-	15,629
In-Kind Expense	6,770	363	967	8,100
Insurance	6,961	373	994	8,328
Endowment Management Expense	-	-	694	694
Janitorial	2,959	159	423	3,541
Newsletter/Post	-	1,136	-	1,136
Printing & Postage	1,309	70	187	1,566
Repairs & Maintenance	15,111	810	2,159	18,080
Security	350	19	50	419
Supplies - Education	183	-	-	183
Supplies - Medical	4,288	-	-	4,288
Supplies - Office	8,477	454	1,211	10,142
Telephone	4,709	252	673	5,634
Training	4,096	-	800	4,896
Travel	11,068	-	2,018	13,086
Utilities	7,635	409	1,091	9,135
Yard Maintenance	1,037	56	148	1,241
 Total expenses before depreciation	 326,996	 41,090	 105,263	 473,348
 Depreciation	 41,857	 2,244	 5,980	 50,081
 Total functional expense	 <u>\$ 368,853</u>	 <u>\$ 43,334</u>	 <u>\$ 111,242</u>	 <u>\$ 523,429</u>

See accompanying notes to the financial statements.

Mary Abbott Children's House
Statement of Cash Flows
For the Year Ended December 31, 2012

OPERATING ACTIVITIES	
Change in net assets	\$ (95,192)
Adjustment to reconcile change in net assets to net cash used for operating activities	
Depreciation	50,080
Realized loss on investment	1,823
Unrealized gain on investments	(3,888)
Changes in assets and liabilities	
Grants receivable	7,339
Accounts payable	4,327
Accrued expenses	<u>10,944</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>(24,567)</u>
INVESTING ACTIVITIES	
Purchase of property and equipment	(54,595)
Purchase of investments	<u>(17,311)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(71,906)</u>
NET CHANGE IN CASH	(96,473)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>511,148</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 414,675</u></u>

See accompanying notes to the financial statements.

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 three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

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:

Unrestricted net assets –

Investment in property and equipment – Net assets invested in long-term assets.

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.

Temporarily restricted net assets – 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that are permanently maintained by the Organization. There are no permanently restricted net assets for the year ended December 31, 2012.

Assets Held for Endowment Purposes

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 Institute. 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 Institute'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 Institute's Board of Directors, unless more restrictive requirements are imposed by the special designated fund's donors.

A distribution equal to 5% of the three-year moving average value of the funds' assets may be distributed to the Institute 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 stipulation 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets whose restrictions are met in the year received are recorded in the financial statement as unrestricted assets.

**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. The Organization was fully insured as of December 31, 2012.

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 condition on which they depend are substantially 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. As of December 31, 2012 there were no promises to give outstanding.

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 \$500 or greater. Depreciation expense for 2012 was \$50,080.

**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 has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization has adopted the provisions of FASB Accounting standard Codification Topic ASC 740-10 (previously Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*), on January 1, 2009. The implementation of this standard had no impact on the financial statements. As of both the date of adoption and as of December 31, 2012, the unrecognized tax benefit accrual was zero.

The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Institute is no longer subject to Federal and state tax examination by tax authorities for years before 2008.

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

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 - PROPERTY AND EQUIPMENT

The carrying value of such assets at December 31, 2012 is as follows:

Victorian house	\$ 266,510
Land	18,375
Furniture and fixtures	168,698
Leasehold improvements	96,596
Annex building	406,863
	<u>957,042</u>
Less accumulated depreciation	<u>(283,539)</u>
	<u><u>\$ 673,503</u></u>

NOTE 3 - ACCRUED EXPENSES

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, 2012 are \$7,426.

NOTE 4 - IN-KIND REVENUE

Contributions of donated non-cash assets and materials are recorded at their fair market values in the period received. The Organization received \$8,100 for in kind services for the year ended December 31, 2012.

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, 2012 were \$6,972.

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 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets at year end are available for the following purposes:

Available for building & operating expenses	\$ 3,872
Restricted for purpose	5,000
Time restriction (to be released in 2013)	<u>208,264</u>
	<u><u>\$ 217,136</u></u>

NOTE 8 - BOARD DESIGNATED NET ASSETS

Board Designated net assets at year end consisted of the following:

ICAC/Internet Lab Equipment	\$ 60,000
Medical Expansion	70,000
Purchase and Repair of Parking Lot	40,000
Endowment (Assets Held by Others)	87,090
60 Day Operating Reserve	<u>69,000</u>
	<u><u>\$ 326,090</u></u>

NOTE 9 - FUNDS HELD IN TRUST 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, 2012, the CFO Fund totaled \$62,924. 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 \$2,358 from the fund were received by the organization during 2012.

NOTE 9 - FUNDS HELD IN TRUST BY OTHERS (CONTINUED)

The Organization has an additional investment with CFO for \$13,118 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. During 2012, the Organization had received \$577 in distributions from this fund and was recorded as contributions. Distributions are calculated as 5% of the market value of the fund, averaged over the previous eight quarters.

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, 2012, the endowment fund totaled \$24,166. 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 \$272 from the fund were received by the organization during 2012.

As of December 31, 2012, the Organization has an additional investment with OCCF of \$24,166 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 2012, the Organization had received \$478 in distributions of this fund and was recorded as contributions. Distributions are calculated as 5% of the market value of the fund, averaged over eight quarters.

NOTE 10 - INVESTMENT RETURN

The Organization's investment return at December 31, 2012 is as follows:

	<u>Unrestricted</u>
Interest and dividends	\$ 2,810
Realized gains (losses)	1,501
Unrealized gains (losses)	3,888
Interest from bank accounts	<u>2,939</u>
Total	<u><u>\$ 11,138</u></u>

NOTE 11 - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2012 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	\$ 62,924	\$ -	\$ 62,924	\$ -
by others at OCCF	24,166	-	24,166	-
Total assets	<u>\$ 87,090</u>	<u>\$ -</u>	<u>\$ 87,090</u>	<u>\$ -</u>

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.

NOTE 12 - RELATED PARTY TRANSACTIONS

During the year of 2012, the Organization incurred multi-media expenses from a company which is co-owned by a board member. \$4,100 of equipment and \$4,350 of fundraising expenses have been recorded in their respective accounts on the statement of functional expenses.

NOTE 13 - SUBSEQUENT EVENTS

As of December 31, 2012, the Organization was in negotiations to purchase a parking lot that is adjacent to their current location. In May 2013, the purchase of the parking lot was complete and cost to the Organization of \$77,500 plus closing costs and an in-kind donation of \$19,400 from the seller for a total contract price of \$98,700. As of December 31, 2012 the board had designated \$40,000 of net assets for the purchase and repair of the parking lot.

April 2013 the Board of Directors approved the renovation plans to be completed to the facilities. The request for construction bids will be sent out in August 2013, and as of December 31, 2012 the board had designated \$130,000 of net assets, to build out the second floor of the addition.

The Organization has evaluated subsequent event through July 12, 2013, the date which the financial statements were made available to be issued.

RAHHAL HENDERSON JOHNSON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2012, and the related statement of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated July 12, 2013.

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) 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 the Mary Abbott Children's House's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiency.

2012-1 Segregation of Duties

Condition:	The Organization's current controls do not have proper segregation of duties between the functions of access, bookkeeping and comparison.
Criteria:	Controls should be implemented to segregate the duties of access, bookkeeping and comparison.
Cause:	Due to the Organization's limited amount of administrative staff, the receipt, deposit and bookkeeping is completed by one person.
Effect:	Risk of misappropriations of assets
Recommendation:	We recommend that the list of contributions provided to board include amounts and that treasurer reconcile this information to bank deposits.
Response:	We are reviewing the control for deposits and will investigate the feasibility of segregation of duties between multiple staff members.

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*.

Mary Abbott Children's House's Response to Findings

Mary Abbott Children's House's response to the findings identified in our audit as described above 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.

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
July 12, 2013