Community Action Project of Tulsa County, Inc.

Tulsa, Oklahoma

Consolidated Financial Statements and Supplementary Information

Years Ended December 31, 2024 and 2023

Helping Families Succeed

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Community Action Project of Tulsa County, Inc.

Consolidated Financial Statements and Supplementary Information
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Independent Auditor's Report

Board of Directors
Community Action Project of Tulsa County, Inc.
Tulsa, Oklahoma

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Action Project of Tulsa County, Inc. (a nonprofit organization) and its wholly owned subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Community Action Project of Tulsa County, Inc. and its wholly owned subsidiaries as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Action Project of Tulsa County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of Community Action Project of Tulsa County, Inc.'s subsidiaries were not audited in accordance with *Government Auditing Standards* as they did not receive federal funding.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Project of Tulsa County, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 Community Action Project of Tulsa County, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Project of Tulsa County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and other awards, Schedules A-1 to A-2, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Schedule B are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 June 26, 2025, on our consideration of the Organization'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 Community Action Project of Tulsa County, Inc.'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 the Community Action Project of Tulsa County, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
June 26, 2025

Community Action Project of Tulsa County, Inc.

Consolidated Statements of Financial Position
December 31, 2024 and 2023

Assets	2024	2023
Current assets:		
Cash and cash equivalents	$ 5,021,920	$ 9,136,754
Certificates of deposit	1,503,385	3,801,839
Grants receivable	7,450,294	5,333,630
Promise to give, current portion	100,000	-
Notes receivable from Tulsa Childrens' Coalition current portion, net	328,522	327,732
Prepaid expenses	711,379	704,938
Total current assets	$ 15,115,500	$ 19,304,893
Other assets:		
Certificates of deposit	$ 2,525,000	$ 780,000
Investments	33,695,524	30,521,130
Escrow funds	3,248,558	6,934,865
Promise to give, long term portion	100,000	-
Other assets	159,970	141,483
Notes receivable from Tulsa Childrens' Coalition, net	2,500,007	2,652,999
Total other assets	$ 42,229,059	$ 41,030,477
Right-of-use lease assets - Operating	$ 5,165,914	$ 5,397,130
Property and equipment, net	8,381,254	9,067,192
TOTAL ASSETS	$ 70,891,727	$ 74,799,692

See accompanying notes to consolidated financial statements.

Community Action Project of Tulsa County, Inc.

Consolidated Statements of Financial Position (Continued)
December 31, 2024 and 2023

Liabilities and Net Assets	**2024**	**2023**
Current liabilities:		
Notes payable, current portion	$ 328,522	$ 327,732
Accounts payable	3,462,426	5,003,386
Accrued payroll and related liabilities	2,969,496	2,541,888
Deferred revenue - refundable advance liability	306,212	199,845
Operating lease obligations, current portion	926,416	998,100
Total current liabilities	$ 7,993,072	$ 9,070,951
Long-term liabilities:		
Notes payable, net	$ 2,500,007	$ 2,652,999
Operating lease obligation, net	4,239,498	4,399,030
Total long-term liabilities	$ 6,739,505	$ 7,052,029
Total liabilities	$ 14,732,577	$ 16,122,980
Net assets:		
Without donor restrictions:		
Undesignated	$ 24,874,390	$ 25,458,464
Board designated	27,032,787	25,785,682
Total without donor restrictions	$ 51,907,177	$ 51,244,146
With donor restrictions	4,251,973	7,432,566
Total net assets	$ 56,159,150	$ 58,676,712
TOTAL LIABILITIES AND NET ASSETS	$ 70,891,727	$ 74,799,692

See accompanying notes to consolidated financial statements.

Community Action Project of Tulsa County, Inc.

Consolidated Statements of Activities

Years Ended December 31, 2024 and 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	$ 63,993,354	$ 277,214	64,270,568
Investment income - net	2,993,068	298,431	3,291,499
Contract revenue	2,046,954	-	2,046,954
Donations	15,468	-	15,468
Other income	22,613	-	22,613
In-kind contributions	80,409	-	80,409
Net assets released from restriction	3,756,238	(3,756,238)	-
Total revenue	$ 72,908,106	(3,180,593)	69,727,513
Expenses:			
Program activities:			
Early childhood education programs	$ 61,383,663	$ -	$ 61,383,663
Family advancement	1,216,789	-	1,216,789
Community development/housing	141,310	-	141,310
Total program activities	$ 62,741,762	$ -	$ 62,741,762
Supportive services:			
Management and general	$ 9,503,313	$ -	$ 9,503,313
Total expenses	$ 72,245,075	$ -	$ 72,245,075
Changes in net assets	$ 663,031	$ (3,180,593)	$ (2,517,562)
Net assets at beginning of year	51,244,146	7,432,566	58,676,712
Net assets at end of year	$ 51,907,177	$ 4,251,973	$ 56,159,150

See accompanying notes to consolidated financial statements.

Community Action Project of Tulsa County, Inc.

Consolidated Statements of Activities (Continued)
Years Ended December 31, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	$ 64,519,995	$ 195,534	$ 64,715,529
Investment income - net	3,880,351	372,830	4,253,181
Contract revenue	1,467,408	-	1,467,408
Donations	44,519	-	44,519
Other income	215,206	-	215,206
In-kind contributions	83,015	-	83,015
Net assets released from restriction	2,159,143	(2,159,143)	-
Total revenue	$ 72,369,637	(1,590,779)	70,778,858
Expenses:			
Program activities:			
Early childhood education programs	$ 59,087,549	$ -	$ 59,087,549
Family advancement	1,559,791	-	1,559,791
Community development/housing	171,068	-	171,068
Total program activities	$ 60,818,408	$ -	$ 60,818,408
Supportive services:			
Management and general	$ 8,464,599	$ -	$ 8,464,599
Total expenses	$ 69,283,007	$ -	$ 69,283,007
Changes in net assets	$ 3,086,630	$ (1,590,779)	$ 1,495,851
Net assets at beginning of year	48,157,516	9,023,345	57,180,861
Net assets at end of year	$ 51,244,146	$ 7,432,566	$ 58,676,712

See accompanying notes to consolidated financial statements.

Community Action Project of Tulsa County, Inc.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Early Childhood Education	Family Advancement	Community Development/ Housing	Total Program Services	Management and General	Total Expenses
Salaries and benefits	$ 35,759,372	$ 768,714	$ 19,000	$ 36,547,086	$ 7,079,424	$ 43,626,510
Occupancy	2,877,699	24,756	-	2,902,455	222,614	3,125,069
Services provided	71,106	202,050	-	273,156	6,454	279,610
Telephone	72,313	3,796	-	76,109	53,357	129,466
Postage	469	661	-	1,130	2,700	3,830
Supplies	3,211,158	50,466	-	3,261,624	840,178	4,101,802
Advertising	56,715	-	-	56,715	40,708	97,423
Professional/consulting	405,509	-	-	405,509	302,921	708,430
Contracted services	17,704,021	149,311	122,310	17,975,642	10,536	17,986,178
Repairs and maintenance	277,021	609	-	277,630	216,268	493,898
Insurance	164,025	853	-	164,878	34,877	199,755
Transportation and travel	93,510	4,193	-	97,703	26,815	124,518
Development and training	258,469	3,298	-	261,767	83,824	345,591
In-kind expenses	35,118	-	-	35,118	45,291	80,409
Depreciation	385,829	-	-	385,829	468,690	854,519
Other	11,329	8,082	-	19,411	68,656	88,067
Total expenses	$ 61,383,663	$ 1,216,789	$ 141,310	$ 62,741,762	$ 9,503,313	$ 72,245,075

See accompanying notes to consolidated financial statements.

Community Action Project of Tulsa County, Inc.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Early Childhood Education	Family Advancement	Community Development/ Housing	Total Program Services	Management and General	Total Expenses
Salaries and benefits	$ 34,014,522	$ 893,836	$ -	$ 34,908,358	$ 6,187,227	$ 41,095,585
Occupancy	2,846,728	29,252	-	2,875,980	245,443	3,121,423
Services provided	56,996	372,540	-	429,536	25,010	454,546
Telephone	147,415	5,043	-	152,458	63,086	215,544
Postage	515	1,242	-	1,757	2,418	4,175
Supplies	3,038,182	47,423	-	3,085,605	603,195	3,688,800
Advertising	88,070	-	-	88,070	57,535	145,605
Professional/consulting	482,628	-	-	482,628	410,312	892,940
Contracted services	17,350,538	182,390	171,068	17,703,996	7,810	17,711,806
Repairs and maintenance	281,466	106	-	281,572	15,575	297,147
Insurance	158,282	1,142	-	159,424	36,206	195,630
Transportation and travel	137,493	4,490	-	141,983	39,298	181,281
Development and training	305,967	15,190	-	321,157	127,374	448,531
In-kind expenses	44,453	-	-	44,453	38,562	83,015
Depreciation	120,471	-	-	120,471	527,327	647,798
Other	13,823	7,137	-	20,960	78,221	99,181
Total expenses	$ 59,087,549	$ 1,559,791	$ 171,068	$ 60,818,408	$ 8,464,599	$ 69,283,007

See accompanying notes to consolidated financial statements.

Community Action Project of Tulsa County, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	($ 2,517,562)	$ 1,495,851
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	$ 854,519	$ 647,798
Gain on sale of property and equipment	(8,000)	-
Net realized and unrealized gains on investments and escrow funds	(1,679,297)	(2,834,989)
Interest accrued on certificates of deposit and notes receivable	27,444	22,167
Changes in operating assets and liabilities:		
Grants receivable	(2,144,108)	1,924,400
Promise to give	(200,000)	111,000
Prepaid expenses	(6,441)	318
Other assets	(18,487)	(71,941)
Accounts payable	(1,294,324)	588,297
Accrued payroll and related liabilities	427,608	73,042
Income taxes payable	-	(76,000)
Deferred revenue - refundable advance liability	106,367	(568,305)
Net cash from operating activities	($ 6,452,281)	$ 1,311,638
Cash flows from investing activities:		
Proceeds from sale of property and equipment	$ 8,000	$ -
Withdrawals and proceeds from sale of investments in escrow funds	3,938,081	1,047,549
Purchase of investments in escrow funds	(133,481)	(76,240)
Purchase of certificates of deposit	(5,730,329)	(887,132)
Redemption of certificates of deposit	5,507,000	735,000
Purchase of property and equipment	(415,217)	(1,385,826)
Collections on notes receivable, related parties	327,732	324,890
Proceeds from sale of investments	776,783	279,671
Purchase of investments	(1,613,390)	(799,502)
Net cash from investing activities	$ 2,665,179	($ 761,590)
Cash flows from financing activities:		
Payments on notes payable	$ (327,732)	$ (364,684)
Net cash from financing activities	($ 327,732)	($ 364,684)
Changes in cash and cash equivalents	$ (4,114,834)	$ 185,364
Cash and cash equivalents at beginning of year	9,136,754	8,951,390
Cash and cash equivalents at end of year	$ 5,021,920	$ 9,136,754
Supplemental schedule of operating activity:		
Interest paid and expensed	$ 10,352	$ 10,550
Supplemental schedule of noncash investing and financing activities:		
Change in discount on notes receivable from Tulsa Childrens' Coalition	$ 175,529	$ 516,154
Capital expenditures included in accounts payable	-	(246,635)

See accompanying notes to consolidated financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Community Action Project of Tulsa County, Inc. (CAP Tulsa) is a 501(c)(3) entity organized as a nonprofit corporation in 1973. CAP Tulsa's mission is to help individuals and families in need achieve self-sufficiency. These activities are performed through a variety of programs in Tulsa County and through program providers in surrounding counties. CAP Tulsa is primarily supported through federal, state, and local grants, as well as private donations.

Tulsa Community Loan Fund, Inc. (TCLF) is a 501(c)(3) entity formed to lend needed funds to other nonprofits serving low-income individuals.

Norwood Housing Partners, LP (NHP) is a limited partnership of which CAP Tulsa owns 99.9% and NRC owns the remaining .1%. NHP was formed to own and operate a low-income housing project. On March 31, 2022, NHP sold the housing project property and equipment to an unrelated third party.

In December 2024, NHP was dissolved as a legal entity and is no longer presented as a consolidated entity of CAP Tulsa.

Basis of Presentation

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Principles of Consolidation

The December 31, 2024 consolidated financial statements include the accounts of CAP Tulsa and TCLF. The December 31, 2023 consolidated financial statements include the accounts of CAP Tulsa, NRC, TCLF, and NHP. All material intercompany transactions and balances have been eliminated for consolidated financial statement purposes. Collectively, the entities are referred to as the "Organizations".

Classification of Net Assets

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

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution. The Board of Directors has designated certain net assets without donor restrictions for an operating reserve to provide support in the case of a loss in short-term funding, or for other liquidity needs. The Board of Directors has designated amounts to be held in perpetuity in a Board designated endowment. See further discussion in Note 19.

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets (Continued)

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organizations and/or the passage of time as well as net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. Tulsa Community Foundation (TCF) funds are such net assets with donor restrictions. The initial funds must be maintained in perpetuity or until released from restriction by the donor. The net appreciation/depreciation related to the TCF funds are net assets with donor restrictions in accordance with the Uniform Prudent Management of Institutional Funds Act. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from donor restrictions.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of money market investments, repurchase agreements, and commercial paper with original maturities of 90 days or less. Money market funds included in escrow accounts are not considered cash and cash equivalents.

Certificates of Deposit

Certificates of deposit are stated at cost, which approximates fair value.

Revenue Recognition

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred, or a right of release of a donor or grantor’s obligation to transfer assets promised, if the condition is not met.

Conditional contributions and promises to give are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contributions (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Grants

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contract Revenue

Childcare Fees – CAP Tulsa recognized revenues from childcare fees of $1,946,913 in 2024 and $1,359,330 in 2023. CAP Tulsa offers extended care before and after school to families participating in its Head Start program. Contract terms are established using a sign-up form in which the family will indicate the days and times (before or after school) when care is needed. Pricing is included in the extended care form and is established for infants, toddlers, and preschool children based on a.m. care, p.m. care, or both. Families are responsible for paying for blocks of care in daily, weekly, or monthly increments, but can cancel care with one day's notice. If a family is eligible for Title XX Childcare Subsidy through the State of Oklahoma, the family is responsible for applying for and maintaining eligibility. Payments from Title XX Childcare Subsidy are considered third-party reimbursements on behalf of the family receiving care and are treated as exchange revenues similar to parent fees paid. Payments are to be made weekly by the parents, and monthly by Title XX Childcare Subsidy. No payments discounts or financing options are provided.

CAP Tulsa considers the performance obligation to be providing childcare services and the performance obligation is satisfied when days of service are provided. Revenue is recognized over time as the family is simultaneously receiving and consuming the benefits of the service. CAP Tulsa feels the output method is the most faithful depiction of the transfer of goods or services as day of service as a result achieved represents a satisfaction of a performance obligation, and neither parents, nor CAP Tulsa is obligated beyond that day given the cancellation notice of one day.

Management Services – CAP Tulsa has a contract with TCC to perform management services, including accounting, treasury operations, financial reporting, tax preparation and filing, and supervision of the capital, maintenance, and repair projects at its facilities. CAP Tulsa is paid on a monthly basis and recognized revenues from TCC management services of $108,000 in 2024 and 2023. CAP Tulsa considers the performance obligation to be providing these management services and the performance obligation is satisfied as the services are provided. Revenue is recognized over time as TCC is simultaneously receiving and consuming the benefits of the service. CAP Tulsa feels the input method is the most faithful depiction of the transfer of the services to TCC, using time elapsed.

There were no receivables from contracts with customers for childcare or management services at January 1, 2023, or December 31, 2024 and 2023, and there were no contract assets or contract liabilities at January 1, 2023, or December 31, 2024 and 2023.

Note 1: Summary of Significant Accounting Policies (Continued)

In-Kind Contributions

CAP Tulsa recognizes in-kind contributions for professional services in the consolidated statements of activities in accordance with a financial accounting standard related to accounting for contributions received and contributions made. CAP Tulsa recognized in-kind contributions of $80,409 and $83,015 during 2024 and 2023. This standard requires that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of CAP Tulsa's grant awards. CAP Tulsa has received contributions of nonprofessional volunteers in the amount of $43,190 and $45,912 during 2024 and 2023, predominantly in the Head Start programs, which are not recorded on the consolidated statements of activities.

All of the in-kind contributions recognized in the consolidated financial statements in both 2024 and 2023 were in the form of contributed professional services. The contributed professional services comprise professional services from attorneys that advise the Organization on various legal matters, from architects who advise on construction and renovation projects, and professional tradesmen who donate time to help complete repairs and maintenance projects. These contributed services are valued and reported at the estimated fair value in the financial statements based on current rates for similar professional services. These nonfinancial contributions did not have any restrictions from the donor.

Investments and Escrow Funds

Investments and escrow funds are recorded at fair value as determined in an active market. Realized and unrealized gains and losses are recognized in investment income in the consolidated statements of activities. Investments held by TCF represent funds transferred to a recipient organization for which CAP Tulsa is the sole beneficiary. Investment fees are netted with return in the consolidated statements of activities, including direct internal investment expenses, if any. Investment advisory fees paid or payable to the portfolio managers are included in professional and consulting expenses in the consolidated statements of activities.

Grants Receivable

Grants receivable consist primarily of federal, state, and other grant awards. The Organizations analyze the receivables and record an allowance that management believes will reserve for possible losses on existing receivables that may become uncollectible. The Organizations consider grants receivable existing as of December 31, 2024 and 2023, to be fully collectible. Accordingly, no allowance has been established at either date.

Note 1: Summary of Significant Accounting Policies (Continued)

Promises to Give

Promise to give represent unconditional promises to give funds to CAP Tulsa and are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts. Management has determined that no allowance was necessary for 2024 or 2023.

Notes Receivable from Tulsa Children’s Coalition (TCC) and Allowance for Credit Losses

Notes receivable represent amounts due from TCC as of December 31, 2024 and 2023, and are stated at the unpaid principal balance less a discount from imputing interest using an interest rate of 3.25% since stated interest rates were below market rates when the notes were executed. See notes 10 and 20 for more information.

The Organization uses a current expected credit loss (“CECL”) model to estimate the allowance for credit losses on notes and interest receivable. The CECL model considers historical loss rates and other qualitative adjustments, as well as a new forward-looking component that considers reasonable and supportable forecasts over the expected life of each note. To develop the allowance for credit losses estimate under CECL, the Organization segments the loan portfolio into loan pools based on loan type and similar credit risk elements and adjusts for forecasted macro-level economic conditions and other anticipated changes in credit quality; and determines qualitative adjustments based on factors and conditions unique to the Organization's portfolios.

A note is considered impaired when, based on current information and events, it is probable that the Organizations will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due.

Note 1: Summary of Significant Accounting Policies (Continued)

Notes Receivable from Tulsa Children's Coalition (TCC) and Allowance for Credit Losses (Continued)

At such time when a note is determined to be past due, the interest-bearing loans are placed on nonaccrual status. The determination of past due loans for purposes of placing on nonaccrual status is made on a case-by-case basis. Interest accrued but not collected for notes that are placed on nonaccrual status is reversed against interest income.

None of the notes receivable are considered impaired or doubtful of collection as of either December 31, 2024 and 2023, and accordingly, there is no allowance for credit losses recorded.

Property and Equipment

Property and equipment purchased are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Property and equipment are items with a cost of $5,000 or more and have a useful life of more than one year. Leasehold improvements are recorded at cost and amortized using the straight-line method over the shorter of the useful life or presumptive lease term.

Property and equipment improvements acquired with grant funds are owned by CAP Tulsa while used in the programs for which they were purchased or in other future authorized programs. However, the funding source has a reversionary interest in assets purchased with grant funds. Their disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of grant-funded property and equipment is $1,416,659 and $1,754,806 at December 31, 2024 and 2023.

The Organizations report gifts of property and equipment at their estimated fair value as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Income Taxes/Uncertain Tax Positions

CAP Tulsa and TCLF are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Oklahoma tax law. The regulations provide tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes/Uncertain Tax Positions (Continued)

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Indirect Cost Rate

Joint costs are allocated to grants using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all of CAP Tulsa's programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate of 30.30% of direct salaries and wages has been approved by the U.S. Department of Health and Human Services (DHHS) and applied in 2024 and 2023. A provisional indirect cost rate is based upon the projected costs of CAP Tulsa for the fiscal year under consideration. CAP Tulsa adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval at which time the indirect cost rate becomes final. Any adjustments to the rate will be reflected when the rate is finalized.

Functional Allocation of Costs

A description of each functional classification category appearing in the consolidated statements of functional expenses is listed below.

Early Childhood Education: CAP Tulsa early childhood education programs help very young children (ages four and under) living in low-income families develop memory and language, self-control and judgment, social engagement, emotional intelligence, reasoning and problem-solving abilities, along with math and reading skills.

The programs include center-based and home-based services for qualifying families. CAP Tulsa offers extended care services at several early childhood school locations. The Research and Innovation Team is embedded within early childhood education programs. It brings research and ideas together to improve how CAP Tulsa delivers early childhood education and how it helps families achieve economic self-sufficiency. Internal and external partners are joined to develop and launch pilot initiatives and services that benefit low-income families and children.

Family Advancement: CAP Tulsa family advancement programs help families work toward providing a secure future through academic skills, career training, college preparation and career coaching services.

Community Development/Housing: Housing and related services are provided to income eligible individuals.

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Costs (Continued)

Management and General: Includes administrative services in the areas of accounting, human resources, executive leadership, marketing, information technology, operations and other departments whose activities support all agency programs.

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization. Those expenses include compensation for personnel services, telephone, facilities, copier, postage, other, and indirect costs. Compensation for personnel services are generally allocated based on time spent on specific purpose and grant activity. Telephone and facilities expenses are generally allocated based on percentage of full-time equivalent employees charged to a program. Copier, printing, and postage expenses are generally allocated based on usage. Other costs may be allocated to multiple programs using a basis determined to be appropriate to the particular cost.

Advertising Costs

Advertising costs are expensed as incurred in the consolidated statements of activities.

Leases

The Organization is a lessee in multiple noncancelable operating leases. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

Note 1: Summary of Significant Accounting Policies (Continued)

Leases (Continued)

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term. The Organization made an accounting policy election for building space and office equipment to not separate the lease components of a contract and its associated non-lease components including lessor-provided maintenance. For all other underlying classes of assets, the Organization separates lease and non-lease components to determine the lease payment.

Reclassifications

Certain amounts as previously reported in the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Note 2: Concentration of Credit Risk

The Organizations maintain a portion of their cash balances in several banks and investment firms. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 and amounts at each investment firm are insured by the Securities Investor Protection Corporation (SIPC) up to $500,000. The Organizations' cash balances at times exceed insured limits as designated by the FDIC and SIPC. Management has assessed the risk of potential loss due to these concentrations and believes that the risk is minimal.

Note 3: Liquidity and Availability of Financial Assets

The following reflects CAP Tulsa's financial assets of December 31, 2024 and 2023, available within one year of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or board-imposed designations. Amounts not available include amounts set aside for long-term investing in an operating reserve account and board designated endowment that could be drawn upon if the governing board approves that action. Amounts already appropriated from either the donor-restricted endowment or operating reserve account for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

Note 3: Liquidity and Availability of Financial Assets (Continued)

The calculation of available financial assets as of December 31 each year are as follows:

	2024	2023
Cash and cash equivalents	$ 5,021,920	$ 9,136,754
Grants receivable	7,450,294	5,333,630
Current portion of promises to give	100,000	-
Certificates of deposits and investments convertible to cash	35,198,909	34,322,969
Total Financial Assets at December 31	47,771,123	48,793,353
Less: Collateral included in financial assets	(1,503,385)	(3,801,839)
Less: Deferred revenue - refundable advance liability	(306,212)	(199,845)
Less: Board designated operating reserve	(18,361,469)	(17,956,112)
Less: Board designated “quasi-endowment”	(8,671,318)	(7,829,570)
Less: Net assets with donor restrictions included in financial assets	(506,505)	(564,459)
Total available financial assets	$ 18,422,234	$ 18,441,528

According to its investment policy, CAP Tulsa’s investment objectives are the preservation and protection of its assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities. The Board Designated funds can be undesignated through Board action.

Note 4: Escrow Funds

In accordance with a multi-party memorandum of understanding, CAP Tulsa has set up an escrow fund to hold cash in the form of money market funds and investments received for the benefit of the early childhood programs. The escrow fund is to be managed by CAP Tulsa and used to support the operational costs of 26 classrooms. Tulsa Educare, Inc. (TEI) is entitled to a proportionate amount of the escrow funds to support 16 of those 26 classrooms and CAP Tulsa has the ultimate discretion for the distribution to TEI (see note 15).

The balance and make-up of the escrow funds as of December 31 are as follows:

	2024	2023
Money market funds	$ 2,266,448	$ 4,337,815
Fixed income securities	982,110	2,597,050
Totals	$ 3,248,558	$ 6,934,865

Note 5: Investments

The Organizations maintain investment accounts with an investment firm. The investments are carried at fair value. As of December 31, investments consist of the following:

	2024	2023
Equity funds	$ 12,579,485	$ 12,029,483
Fixed income funds	20,883,290	18,271,319
Investments with Tulsa Community Foundation	232,749	220,328
Totals	$ 33,695,524	$ 30,521,130

The Organizations' total investment income for 2024 and 2023, was as follows:

	2024	2023
Interest and dividends	$ 1,684,756	$ 1,483,658
Realized and unrealized gains	1,679,297	2,834,989
Investment fees	(72,554)	(65,466)
Totals	$ 3,291,499	$ 4,253,181

Note 6: Fair Value Measurements

Financial accounting standards related to fair value measurements describe a fair value hierarchy that includes three levels of inputs to be used to measure fair value. In general, the Organizations measure fair values determined by Level 1 inputs utilizing quoted market prices in active markets and fair values determined by Level 2 inputs utilizing market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 are based on valuation models or methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Organizations' estimates about assumptions market participants would use in measuring fair value of the asset or liability.

Note 6: Fair Value Measurements (Continued)

Information regarding the fair value measurements of assets measured on a recurring basis as of December 31, is as follows:

2024	Level 1	Level 2	Level 3	Total Assets at Fair Value
Escrow funds:				
Escrow money market funds	$ 2,266,448	$ -	$ -	$ 2,266,448
Escrow fixed income securities	982,110	-	-	982,110
Escrow funds at fair value	3,248,558	-	-	3,248,558
Investments:				
Equity funds	12,579,485	-	-	12,579,485
Fixed income funds	20,883,290	-	-	20,883,290
Investments with Tulsa Community Foundation	-	-	232,749	232,749
Investments measured at fair value	33,462,775	-	232,749	33,695,524
Totals	$ 36,711,333	$ -	$ 232,749	$ 36,944,082

2023	Level 1	Level 2	Level 3	Total Assets at Fair Value
Escrow funds:				
Escrow money market funds	$ 4,337,815	$ -	$ -	$ 4,337,815
Escrow fixed income securities	2,597,050	-	-	2,597,050
Escrow funds at fair value	6,934,865	-	-	6,934,865
Investments:				
Equity funds	12,029,483	-	-	12,029,483
Fixed income funds	18,271,319	-	-	18,271,319
Investments with Tulsa Community Foundation	-	-	220,328	220,328
Investments measured at fair value	30,300,802	-	220,328	30,521,130
Totals	$ 37,235,667	$ -	$ 220,328	$ 37,455,995

Note 6: Fair Value Measurements (Continued)

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured at cost, which approximates fair value.

- U.S. treasury bills, fixed income securities, and mutual funds are valued at quoted market prices.

- Investments with Tulsa Community Foundation are valued based on the market value of the underlying assets, consisting mainly of equity securities and fixed income securities which are valued based on quoted market prices based on recent trading activity and other observable market data.

Note 7: Endowment Funds

CAP Tulsa's endowments consist of funds held at Tulsa Community Foundation and funds designated by the Board of Directors to function as a quasi-endowment. Both funds have been established for the furtherance of CAP Tulsa's mission and financial stability. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

CAP Tulsa's Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Oklahoma state legislature, as requiring CAP Tulsa to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, CAP Tulsa classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment. Accumulated earnings on donor-restricted endowment funds are reported as net assets with donor restrictions until those amounts are appropriated for expenditure by CAP Tulsa in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, CAP Tulsa considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of CAP Tulsa, and (7) CAP Tulsa's investment policies.

CAP Tulsa adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the purchasing power of the endowment assets. Under CAP Tulsa's Board-approved investment policy, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, achieve an effective annual rate of return equal to or greater than the designated benchmarks for the various types of investment vehicles, and ensure that any risk assumed is commensurate with the given investment vehicle and CAP Tulsa's objectives.

Note 7: Endowment Funds (Continued)

To achieve its investment goals, CAP Tulsa targets an asset allocation that will achieve a balance return of current income and long-term growth of principal while exercising risk control. CAP Tulsa's asset allocations include a blend of equity and debt securities and cash equivalents.

Investments with Tulsa Community Foundation

CAP Tulsa is the sole beneficiary of a donor-restricted endowment fund held by Tulsa Community Foundation, Inc. ("TCF"), an Oklahoma charitable organization. TCF may distribute to CAP Tulsa a portion of the Fund's net annual income upon CAP Tulsa's request, as long as the market value of the Fund does not fall below the original cost of the gift. The agreement governing the assets include a variance power allowing TCF to modify restrictions on distributions from the funds. The Fund's fair value as of December 31, 2024 and 2023, was $232,749 and $220,328, respectively.

Board Designated Endowment

As described in Note 19, CAP Tulsa's governing board designated $7,000,000 from net assets without donor restrictions for a quasi-endowment in 2020. The fair value of the board designated endowment was $8,671,318 and $7,829,570 as of December 31, 2024 and 2023.

An annual spending policy has been established so that no more than 4% of the previous 12 months' earnings can be withdrawn each year to use for general operations. Withdrawals that would exceed the spending rule or decrease the principal balance of the fund below $7,000,000 cannot be made without Board approval. The Board of Directors can modify the spending policy and can change the amount of funds designated to be the principal of the endowment.

CAP Tulsa's endowment balances were comprised of the following as of December 31, 2024:

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment	$ 8,671,318	$ -	$ 8,671,318
Investments with Tulsa Community Foundation	-	232,749	232,749
Endowment investments	$ 8,671,318	$ 232,749	$ 8,904,067

Note 7: Endowment Funds (Continued)

The changes in CAP Tulsa's endowment investments for the year ended December 31, 2024 were as follows:

	Without Donor Restriction	With Donor Restriction	Total
Balance at beginning	$ 7,829,570	$ 220,328	$ 8,049,898
Investment income	841,748	12,421	854,169
Totals	$ 8,671,318	$ 232,749	$ 8,904,067

CAP Tulsa's endowment balances were comprised of the following as of December 31, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment	$ 7,829,570	$ -	$ 7,829,570
Investments with Tulsa Community Foundation	-	220,328	220,328
Totals	$ 7,829,570	$ 220,328	$ 8,049,898

The changes in CAP Tulsa's endowment investments for the year ended December 31, 2023 were as follows:

	Without Donor Restriction	With Donor Restriction	Total
Balance at beginning	$ 6,769,701	$ 192,350	$ 6,962,051
Depreciation and investment gain	1,059,869	27,978	1,087,847
Balance at end	$ 7,829,570	$ 220,328	$ 8,049,898

Note 8: Grants Receivable

Grants receivable balances at December 31, consist of the following amounts:

	2024	2023
Federal grants and contracts	$ 4,050,770	$ 2,552,396
State grants and contracts	2,962,287	2,745,049
Other grants and contracts	29,002	32,000
Accrued interest on certificates of deposit	27,444	-
Miscellaneous	380,791	4,185
Grants receivable	$ 7,450,294	$ 5,333,630

Note 9: Promises to Give

CAP Tulsa has an unconditional promise to give from a foundation in the amount of $200,000 and $0 as of December 31, 2024 and 2023. The promise is restricted to operating costs at CAP Tulsa's new headquarters. The promise to give is not discounted to present value since difference between present value and the total promise to give is immaterial. CAP Tulsa is expected to collect $100,000 in 2025 and the remaining $100,000 in 2026.

Note 10: Notes Receivable from Tulsa Childrens' Coalition (TCC)

Notes receivable as of December 31, consist of the following:

	2024	2023
Note receivable from TCC, with no interest, due June 1, 2031. Monthly payments of principal began on July 1, 2021, of $33,613, through the remaining term of the note. The due date of this note was extended to June 1, 2036 and the monthly principal payment was reduced to $20,755, beginning April 1, 2023.	$ 2,864,151	$ 3,113,208
Note receivable from TCC, bearing interest at 1.0%, due February 1, 2036. Monthly payments of principal and interest began on March 1, 2021, of $7,370, through the remaining term of the note.	934,099	1,012,773
Notes receivable, net	3,798,250	4,125,981
Discount on notes receivable	(969,721)	(1,145,250)
Current portion	(328,522)	(327,732)
Notes receivable, long-term	$ 2,500,007	$ 2,652,999

Note 10: Notes Receivable from Tulsa Childrens' Coalition (TCC) (Continued)

All of the notes receivable ("loans") listed in Note 10 are from TCC, which is considered to be a related party for financial reporting purposes, and is considered in the related party loan class for evaluation purposes. TCC is an independent 501(c)3 organization which is not owned or controlled by CAP Tulsa or the Organizations, but it is considered "related" for loan evaluation purposes because CAP Tulsa rents school campus facilities from TCC and TCC purchases management services from CAP Tulsa. CAP Tulsa regularly evaluates various attributes of loans to determine the appropriateness of the allowance for credit losses. CAP Tulsa's only class of loans is "related party" which is generally evaluated based on whether the loan is performing according to the contractual terms of the loan or not. CAP Tulsa has not identified any loans that are nonperforming. In addition, CAP Tulsa has not identified any loans that are past due according to the contractual terms; therefore, no loans have been placed on nonaccrual status. CAP Tulsa has not had to grant any concessions to the borrower as troubled debt restructurings due to financial difficulties and has determined that the loans outstanding are not impaired. Accordingly, the allowance for credit losses was $0 as of December 31, 2024 and 2023.

Note 11: Lease Assets and Obligations

The Organization leases properties for operation of its programs. The leases entered into include one or more options to renew. The renewal terms on the office space can extend the lease term of five years. The exercise of lease renewal options is at the Organization's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The reasonable holding period for one lease was extended for one year, to five years, as of December 31, 2024.

The weighed-average of the remaining lease terms was 5 years as of December 31, 2024 and 2023 and the weighted average discount rates were 4.39% and 3.85% as of December 31, 2024 and 2023.

Maturities of operating lease liabilities are as follows as of December 31, 2024:

2025	$ 1,152,516
2026	1,152,516
2027	1,152,516
2028	1,152,516
2029	1,152,516
Total lease Payments	5,762,580
Less: imputed Interest	(596,666)
Subtotals	5,165,914
Less: current portion	(926,416)
Long term portion	$ 4,239,498

Note 11: Lease Assets and Obligations (Continued)

Lease expense and operating cash flows from operating leases was $1,152,516 and $1,188,348 for the years ended December 31, 2024 and 2023.

Note 12: Property and Equipment

The balances as of December 31 consist of the following:

	2024	2023
Building and improvements	$ 8,136,495	$ 8,136,495
Technology/website	913,418	769,744
Furniture/fixtures	755,081	755,081
Equipment	3,043,158	3,001,041
Construction in progress	-	56,775
Subtotals	12,848,152	12,719,136
Accumulated depreciation	(4,466,898)	(3,651,944)
Property and equipment, net	$ 8,381,254	$ 9,067,192

Note 13: Notes Payable

The Organization has the following notes payable as of December 31:

	2024	2023
Note payable to a family foundation bearing interest at 1.0%. Monthly payments of principal and interest began on March 1, 2021, of $7,370, through February 1, 2036. The note is secured by a $1,032,320 irrevocable letter of credit. The letter of credit renews on an annual basis until the debt is repaid or a non-renewal notice is provided to the parties by the financial institution.	$ 934,099	$ 1,012,773
Note payable to a family foundation with no interest unless the loan is in default. Monthly principal only payments of $33,613 began July 1, 2021 through May 31, 2031. The due date of this note was extended to June 1, 2036 and the monthly principal payment was reduced to $20,755, beginning April 1, 2023. The note is secured by a $3,428,571 irrevocable letter of credit. The letter of credit expires upon the earlier of notice that the debt was repaid or December 1, 2038.	2,864,151	3,113,208
Total notes payable	3,798,250	4,125,981
Less: discount on notes payable	(969,721)	(1,145,250)
Less: current portion	(328,522)	(327,732)
Totals	$ 2,500,007	$ 2,652,999

Future maturities on notes payable at December 31, 2024, are as follow:

2025	$ 328,522
2026	329,320
2027	330,127
2028	330,941
2029	331,764
Thereafter	2,147,576
Total	$ 3,798,250

The notes payable described above bear interest rates that were at “below-market” rates when the notes were executed. CAP Tulsa has passed the economic benefit of the below market interest to TCC by creating terms on the notes receivable from TCC which are identical to the terms of the notes payable to the family foundation. The notes receivable from TCC are described in Note 10.

A discount on notes payable equal to the value of the charitable contribution received through interest rates below market have been recorded as a reduction to the face value of the notes payable using imputed interest rates of 3.25% and 5.12%.

Note 13: Notes Payable (Continued)

CAP Tulsa considers itself to be an intermediary between the family foundation and TCC and does not report the contribution revenue and expense or interest revenue and expense resulting from imputing interest in its consolidated statements of activities since these have been determined to be agency transactions.

Note 14: Deferred Revenue – Refundable Advance Liability

Deferred revenue is considered to be a refundable advance liability and represents grant funding received from federal, state, and local funding sources for which allowable expenses have not been incurred or program services have not been provided. The revenue will be earned in the period in which the expenses are incurred, or the services are provided.

Deferred revenue – refundable advance liability consists of the following at December 31:

	2024	2023
State/local – Oklahoma Early Childhood Program match	$ 129,540	$ 25,702
State/local – Oklahoma Child Care Sustainability payments from ARP	-	2,535
Federal – NeighborWorks	127,370	115,620
Other	49,302	55,988
Totals	$ 306,212	$ 199,845

Note 15: Commitments and Contingencies

In the normal course of business, CAP Tulsa receives grants from various governmental and private agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with grant conditions. Any potential liability for reimbursement, which may arise as a result of such audits, is not believed, by CAP Tulsa’s management, to be material.

CAP Tulsa provides various services to residents in the Tulsa area. CAP Tulsa receives a substantial amount of its support from government agencies. A significant reduction in the level of this support may have an adverse effect on CAP Tulsa’s programs and activities.

CAP Tulsa is listed as a co-borrower on a TCC note payable to the Pearl M. and Julia J. Harmon Foundation with an initial loan amount of $2,300,000. The proceeds from the note were used to finance construction of a new early childhood program facility, which is leased back to CAP Tulsa for early childhood programs. The note is secured by an irrevocable letter of credit issued for the account of both organizations and the contingent reimbursement obligations under the letter of credit secured by the real estate mortgage granted by TCC on the underlying early childhood facility. Payments by TCC on the note are current and CAP Tulsa does not expect to have to make any payments as a co-borrower. The total outstanding loan balances as of December 31, 2024 and 2023, are $42,192 and $113,948.

Note 15: Commitments and Contingencies (Continued)

CAP Tulsa has a grant with the State of Oklahoma for the Oklahoma Early Childhood Program. As of December 31, 2024, the grant was for $14,000,000 and required a $21,000,000 private match. The grant is ongoing as of December 31, 2024, and the grant period ends June 30, 2025. CAP Tulsa believes that the match requirement will be met by the end of the grant year, which would allow CAP Tulsa to spend out the entire state portion of the grant.

CAP Tulsa entered into an agreement with the University of Oklahoma for a program quality evaluation for its early childhood program. The contract was ongoing at the end of the year and CAP Tulsa had a contract commitment of $112,519 as of December 31, 2024.

CAP Tulsa entered into a memorandum of understanding in relation to the Tulsa Early Childhood Stimulus Project (TECS) with several parties. One of the stipulations of this agreement is that CAP Tulsa serve as the fiscal management agent for the funds available under this agreement. CAP Tulsa has agreed to escrow these funds and manage the disbursement for qualified expenses to Tulsa Educare. CAP Tulsa’s commitment to TEI as of December 31, 2024, is $3,248,558.

Note 16: Employee Retirement Plan

CAP Tulsa has a contributory tax deferred defined contribution plan under Section 403(b) of the Internal Revenue Code. Employees are eligible to participate in the plan at the beginning of their employment with CAP Tulsa. Employer contributions begin as soon as the employee enrolls in the plan and are fully vested at that time. CAP Tulsa’s discretionary contribution for the years ended December 31, 2024 and 2023, was $666,763 and $619,364.

Note 17: Self-Insurance Plan

CAP Tulsa maintains a self-insurance health benefit agreement for its eligible employees and their eligible dependents. The plan includes an individual stop loss maximum of $75,000 to reduce the risk of excessive claims in any one period.

CAP Tulsa maintains a self-insurance reserve to pay actual claims. As of December 31, 2024 and 2023, the self-insurance reserve balance was $338,072 and $811,432, which is the excess of the amounts withheld to pay for claims over actual claims incurred from inception to December 31, 2024. The amounts withheld are based on actuarial estimates. The reserve balance is included in net assets without donor restrictions in the consolidated statements of financial position.

A liability is also maintained to fund the cost of claims incurred under the plan prior to December 31, 2024 and 2023, but paid after the end of each year. As of December 31, 2024 and 2023, CAP Tulsa has recorded a liability of $416,222 and $415,044, which are reported net of refunds received in 2024 and 2023 for claims paid in 2024 and 2023 that were in excess of the stop loss maximum. The liability balance is included in accrued payroll and related liabilities in the consolidated statements of financial position.

Note 18: Net Assets with Donor Restriction

Net assets with donor restrictions represent amounts contributed by donors as follows:

	2024	2023
Subject to expenditure for specified purpose:		
Early childhood program – specified classroom operations	$ 3,751,240	$ 6,868,106
Management & General - headquarters office renovation	-	148,597
Promises to Give - headquarters costs & time restrictions	200,000	-
Other purpose restrictions	67,984	195,535
Subject to Organization spending policy and appropriation:		
Tulsa Community Foundation Investment in perpetuity (including amounts above original gift amount of $106,468), which, once appropriated, is expendable to support any organization program or general operations	232,749	220,328
Total net assets with donor restriction	$ 4,251,973	$ 7,432,566

Net assets released from restriction are as follows:

	2024	2023
Early childhood program expenditures	$ 3,564,856	$ 1,842,776
Headquarters office renovation expenditures	148,597	-
Other purpose expenditures	42,785	316,367
Total net assets released from restriction	$ 3,756,238	$ 2,159,143

Note 19: Board Designated Net Assets

CAP Tulsa's governing board has designated the following from net assets without donor restrictions as of December 31:

	2024	2023
Board designated – operating reserve	$ 18,361,469	$ 17,956,112
Board designated – endowment	8,671,318	7,829,570
Total board designated net assets	$ 27,032,787	$ 25,785,682

Operating reserve

As discussed above, CAP Tulsa's governing board has designated, from net assets without donor restrictions, $18,361,469 and $17,956,112 as of December 31, 2024 and 2023, for an operating reserve. The operating reserve designation has been established to ensure the stability of the mission, programs, employment, and ongoing operations of CAP Tulsa, and is based on a percentage of budgeted total operating expenses as approved by the Board of Directors. Expenditures from the reserve require prior approval by the Board of Directors.

The following is a summary of the changes in the board designated operating reserve:

	2024	2023
Balance at beginning of year	$ 17,956,112	$ 17,030,111
Approved change in operating reserve designated balance	405,357	926,001
Balance at end of year	$ 18,361,469	$ 17,956,112

Endowment

As described in Note 7, CAP Tulsa's governing board designated, from net assets without donor restrictions, $7,000,000 for a quasi-endowment in 2020. The endowment designation has been established to ensure the stability of the mission, programs, employment, and ongoing operations of CAP Tulsa by creating an investment fund that will be managed for long-term growth. During 2023, a decrease in the fair value of the assets in the investment portfolio reduced the ending balance of the portfolio below the original $7,000,000 designated balance. The Organization did not withdraw any funds from the portfolio in 2024.

	2024	2023
Balance at beginning	$ 7,829,570	$ 6,769,701
Appreciation and investment income	841,748	1,059,869
Balance at end	$ 8,671,318	$ 7,829,570

Note 20: Related Party Transactions

CAP Tulsa leases its child education facilities from TCC. CAP Tulsa also has a management contract with TCC under which CAP Tulsa provides management and accounting services to TCC since TCC has no employees. Both CAP Tulsa and TCC have separate Boards with no common members and are not under common control. CAP Tulsa's fees for these management and accounting services were $108,000 in both 2024 and 2023. CAP Tulsa's rental payments to TCC for space were $1,152,516 and $1,188,348 in 2024 and 2023.

CAP Tulsa has provided TCC with two loans that are described in Note 10.

CAP Tulsa is also listed as a co-borrower on a TCC note payable to the Pearl M. and Julia J. Harmon Foundation with an initial loan amount of $2,300,000. The note is at 1% interest and matures in July 2025. The total outstanding loan balance as of December 31, 2024 and 2023, is $42,192 and $113,948. CAP Tulsa does not anticipate having to make any payments as co-borrower on these notes.

A member of the Board of Directors is employed by a financial institution that holds CAP Tulsa's operating cash and escrow accounts.

Note 21: Grant Awards

As of December 31, 2024, CAP Tulsa had total commitments under various grants of approximately $22,800,000. Additionally, CAP Tulsa had commitments for funding under the NeighborWorks America and the state grant award for the Oklahoma Early Childhood Program to subrecipients as of December 31, 2024, of approximately $1,190,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

Note 22: Revenue Sources

CAP Tulsa had the following concentration of total revenue sources for the year ended December 31:

	2024	**2023**
Department of Health and Human Services Federal Head Start	38 %	36 %
Oklahoma Early Childhood Program	19	18
Private foundation, Match to the Oklahoma Early Childhood Program and Contributions	30	31

Note 23: Subsequent Events

Subsequent events have been evaluated through June 26, 2025, which is the date the consolidated financial statements were available to be issued.

Effective June 30, 2025, CAP Tulsa terminated the lease agreement with TCC for the Rosa Parks school location. In conjunction with the lease termination, CAP Tulsa entered into an expanded pass-through agreement with Union Public Schools to operate an additional four Head Start funded classrooms on behalf of CAP Tulsa at the Rosa Parks school location.

Effective October 1, 2025, CAP Tulsa will begin to provide family support services that have previously been provided by a third-party vendor resulting in a significant reduction in the contract between CAP Tulsa and the third-party vendor.

Supplementary Information

Community Action Project of Tulsa County, Inc.

Schedule A-1
Schedule of Expenditures of Federal and Other Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Number/Program Title	AL Number	Funding Source/Pass-Through Entity	Pass-Through to Subrecipients	Expenditures
FEDERAL PROGRAMS				
DEPARTMENT OF AGRICULTURE				
Child and Adult Care Food Program (CACFP) DC-72-326	10.558	Oklahoma State Dept of Education	$ -	$ 1,766,808
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant	14.218	City of Tulsa	-	25,000
DEPARTMENT OF TREASURY				
NeighborWorks Supplemental	21.000	NeighborWorks America	50,000	50,000
Neighborworks Expendable		NeighborWorks America	69,910	118,200
NeighborWorks Administration		NeighborWorks America	-	1,000
NeighborWorks Training		NeighborWorks America	2,400	4,550
		Total Federal Expenditures - AL 21.000	**122,310**	**173,750**
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Maternal Infant and Early Childhood Visiting Program (MIECHV)	93.870	Oklahoma Department of Health	-	390,302
Community Service Block Grant CSBG 24	93.569	Oklahoma Department of Commerce	-	1,035,671
		Total Federal Expenditures - AL 93.569	**-**	**1,035,671**
Head Start Cluster				
Head Start/ Early Head Start 06-CH012014-04	93.600	US Dept. of Health and Human Services	-	19,381,149
Early Head Start CCP 06-HP000477-03 and 04		US Dept. of Health and Human Services	-	5,159,340
		Total Federal Expenditures Head Start Cluster AL.93.600	**-**	**24,540,489**
		Total Department of Health and Human Services Expenditures	**-**	**25,966,462**
		Total Federal Expenditures	**$ 122,310**	**$ 27,932,020**

Community Action Project of Tulsa County, Inc.

Schedule A-2
Schedule of Expenditures of Federal and Other Awards (Continued)
Year ended December 31, 2024

Grantor / Funding Source	Pass-through to subrecipients	Expenditures
STATE AWARDS		
Oklahoma State Department of Education - Oklahoma Early Childhood Program (OECP)	$ 5,052,965	$ 12,458,907
Oklahoma Department of Commerce SAF/CAA Head Start	-	236,027
Oklahoma Department of Commerce SAF/CAA Administration Support	-	48,796
Sustainability Beneficiary Assistance	-	634
SUBTOTAL - STATE AWARDS	$ 5,052,965	$ 12,744,363
LOCAL & OTHER AWARDS		
American Electric Power Foundation	$ -	$ 1,128
Bank of the West	-	10,000
Blue Cross & Blue Shield of Oklahoma	-	20,848
Grace and Franklin Bernsen Foundation 24	-	10,000
Bezalel Foundation	-	25,000
Bank of Oklahoma Foundation	-	15,000
Burnstein Foundation	-	30,000
Caleb's Cause Foundation	-	106
Cherokee Nation	-	2,000
Child Trends Grant	-	1,800
Founders of Doctors' Hospital	-	8,636
Dollar General	-	8,000
Ed Darby Foundation	-	15,000
George Kaiser Family Foundation	6,119,668	20,289,940
The Sharna & Irvin Frank Foundation 24 25	-	11,300
Gelvin Foundation	-	8,700
Hogan Taylor Foundation	-	3,684
Ralph & Frances McGill Foundation	-	3,500
Muscogee Nation Office of Child Care	-	4,000
Donna Nigh Foundation	-	3,300
ONEOK Foundation	-	5,000
Parents as Teachers National Center	-	12,500
Potts Family Foundation	-	7,350
QuikTrip Corporation Fund	-	77,837
Rotary Club of Tulsa Foundation	-	19,097
Roy Scholarship	-	2,000
Schusterman Family Foundation	-	175,000
Siemer Institute	-	53,500
Tulsa Area United Way	-	632,531
TCF Pediatric Healthcare Fund	-	4,907
Telligen Community Initiative	-	71,376
Anne & Henry Zarrow Foundation	-	179,879
SUBTOTAL - LOCAL & OTHER AWARDS	$ 6,119,668	$ 21,712,917
TOTAL STATE & LOCAL EXPENDITURES	11,172,634	34,457,280
TOTAL GRANTS AND CONTRACTS EXPENDITURES	$ 11,294,943	62,389,300

Notes to the Schedule of Expenditures of Federal and Other Awards

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal and Other Awards (the "Schedule") includes the federal grant activity of Community Action Project of Tulsa County, Inc. under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Community Action Project of Tulsa County, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Action Project of Tulsa County, Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

Community Action Project of Tulsa County, Inc. has an approved indirect cost rate, and therefore, did not use the 10% de minimis cost rate.

Community Action Project of Tulsa County, Inc.

Schedule B
Schedule of Funds - Oklahoma Department of Commerce
Year Ended December 31, 2024

Federal/State Grantor/Pass-Through Grantor/Program Title		Federal AL Number	Pass-Through Grantor's Number	Program or Award Amount	Grant Expenditures in Prior Audit Period	Unspent Grant Award at 01/01/2024	Contract Receipts or Revenue Recognized	Contract Disburse/ Expenditures	Interest Earned Federal Funds	Match Receipts or Revenue Recog.	Match Disburse/ Expend.
DEPARTMENT OF HEALTH AND HUMAN SERVICES											
Pass-through Agency											
Oklahoma Department of Commerce											
Community Service Block Grant	CSBG 23	93.569	18924	$ 1,028,882	$ 1,028,882	$ -	$ -	$ -	$ -	$ -	$ -
Community Service Block Grant	CSBG 24	93.569	19395	1,035,671	-	1,035,671	1,035,671	1,035,671	-	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				**$ 2,064,553**	**$ 1,028,882**	**$ 1,035,671**	**$ 1,035,671**	**$ 1,035,671**	**$ -**	**$ -**	**$ -**
STATE PROGRAMS											
State of Oklahoma											
Pass-through Agency											
Oklahoma Department of Commerce											
State Appropriated Funds											
	SAF/CAA-HS-23/24	N/A	18644	$ 224,787	$ 112,393	$ 112,394	$ 112,394	112,394	$ -	$ -	$ -
	SAF/CAA-HS-24/25	N/A	19214	236,027	-	236,027	123,633	123,633	-	-	-
	SAF/CAA-23/24	N/A	18634	46,472	23,235	23,237	23,237	23,237	-	-	-
	SAF/CAA-24/25	N/A	19213	48,796	-	48,796	25,559	25,559	-	-	-
TOTAL STATE OF OKLAHOMA				**$ 556,082**	**$ 135,628**	**$ 420,454**	**$ 284,823**	**$ 284,823**	**$ -**	**$ -**	**$ -**

WIPFLI

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
Community Action Project of Tulsa County, Inc.
Tulsa, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Community Action Project of Tulsa County, Inc. (a nonprofit organization) and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2024 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 26, 2025. The financial statements of Community Action Project of Tulsa County, Inc.'s subsidiaries were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Project of Tulsa County, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Action Project of Tulsa County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Project of Tulsa County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Project of Tulsa County, Inc.'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 financial statements. 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 Community Action Project of Tulsa County, Inc.'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 Community Action Project of Tulsa County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
June 26, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Community Action Project of Tulsa County, Inc.
Tulsa, Oklahoma

Report on Compliance for each Major Federal Program

Opinion on each Major Federal Program

We have audited Community Action Project of Tulsa County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each major federal program for the year ended December 31, 2024. Community Action Project of Tulsa County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Project of Tulsa County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Action Project of Tulsa County, Inc. and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Action Project of Tulsa County, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Action Project of Tulsa County, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Action Project of Tulsa County, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Action Project of Tulsa County, Inc.'s compliance with requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material noncompliance, 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 Community Action Project of Tulsa County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Community Action Project of Tulsa County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but for the purpose of expressing an opinion on the effectiveness of Community Action Project of Tulsa County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
June 26, 2025

Community Action Project of Tulsa County, Inc.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Noncompliance material to financial statements noted?	___ yes _x_ no

Federal Awards

Type of auditor's report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	___ yes _x_ no

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster
93.600	Head Start Cluster
93.569	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: $837,961

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Costs

None