



Financial Statements and Reports Required by  
*Government Auditing Standards* and by the Uniform Guidance  
June 30, 2024 and 2023

## Oklahoma Partnership For School Readiness Foundation, Inc.

# Oklahoma Partnership For School Readiness Foundation, Inc.

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June 30, 2024 and 2023

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## Independent Auditor's Report

The Board of Directors  
Oklahoma Partnership For School Readiness Foundation, Inc.  
Oklahoma City, Oklahoma

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Oklahoma Partnership for School Readiness Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the financial statement are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.



The accompanying schedule of expenditures of state awards, schedule of revenues and functional expenses – consultant support for Oklahoma Partnership for OPSR, and schedule of revenues and functional expenses – consultant support for Oklahoma Clearinghouse for Early Childhood Success are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2025, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Foundation'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 Foundation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Oklahoma City, Oklahoma  
January 30, 2025

# Oklahoma Partnership For School Readiness Foundation, Inc.

## Statements of Financial Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 696,033	\$ 2,206,214
Accounts receivable	4,170,067	3,513,595
Property and equipment, net	36,255	53,142
Operating lease right of use assets	373,140	460,239
Prepaid and other assets	<u>67,478</u>	<u>44,008</u>
Total assets	<u>5,342,973</u>	<u>6,277,198</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	2,929,660	2,396,928
Accrued expenses	95,297	74,166
Deferred revenues	50,000	-
Refundable advance liability	-	1,693,949
Other liabilities	24,693	-
Operating lease liabilities	<u>373,140</u>	<u>460,239</u>
Total liabilities	<u>3,472,790</u>	<u>4,625,282</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,091,413	774,291
Invested in property and equipment	<u>36,255</u>	<u>53,142</u>
	<u>1,127,668</u>	<u>827,433</u>
With donor restrictions	<u>742,515</u>	<u>824,483</u>
Total net assets	<u>1,870,183</u>	<u>1,651,916</u>
Total liabilities and net assets	<u><u>\$ 5,342,973</u></u>	<u><u>\$ 6,277,198</u></u>

# Oklahoma Partnership For School Readiness Foundation, Inc.

Statement of Activities  
Year Ended June 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
Revenue and Other Support			
General support	\$ 22,126	\$ -	\$ 22,126
Foundation grants	40,000	330,800	370,800
Government grants	13,624,727	-	13,624,727
Professional development conference	8,879	-	8,879
Interest income	35,101	-	35,101
Net assets released from restrictions	412,768	(412,768)	-
	<u>14,143,601</u>	<u>(81,968)</u>	<u>14,061,633</u>
Total revenue and other support			
Expenses			
Program services expense	13,386,562	-	13,386,562
Management and general	454,852	-	454,852
Fundraising and development	1,952	-	1,952
	<u>13,843,366</u>	<u>-</u>	<u>13,843,366</u>
Total expenses			
Change in Net Assets	300,235	(81,968)	218,267
Net Assets, Beginning of Year	827,433	824,483	1,651,916
Net Assets, End of Year	<u>\$ 1,127,668</u>	<u>\$ 742,515</u>	<u>\$ 1,870,183</u>

# Oklahoma Partnership For School Readiness Foundation, Inc.

Statement of Activities  
Year Ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Revenue and Other Support			
General support	\$ 14,617	\$ -	\$ 14,617
Foundation grants	200,000	450,000	650,000
Government grants	8,348,123	-	8,348,123
Professional development conference	6,295	-	6,295
In-Kind donations	14,141	-	14,141
Interest income	1,208	-	1,208
Net assets released from restrictions	234,060	(234,060)	-
Total revenue and other support	<u>8,818,444</u>	<u>215,940</u>	<u>9,034,384</u>
Expenses			
Program services expense	8,498,841	-	8,498,841
Management and general	162,150	-	162,150
Fundraising and development	12,592	-	12,592
Total expenses	<u>8,673,583</u>	<u>-</u>	<u>8,673,583</u>
Change in net assets	144,861	215,940	360,801
Net Assets, Beginning of Year	<u>682,572</u>	<u>608,543</u>	<u>1,291,115</u>
Net Assets, End of Year	<u><u>\$ 827,433</u></u>	<u><u>\$ 824,483</u></u>	<u><u>\$ 1,651,916</u></u>

# Oklahoma Partnership For School Readiness Foundation, Inc.

## Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services						Supporting Services			
	Early Literacy	Community Mobilization & Support	Data Systems	Child Care Resource & Referral	Systems & Policy Development	Professional Development	Total Program Expense	Management and General	Fundraising	Total Expenses
Personnel Costs	\$ 190,538	\$ 360,979	\$ 190,538	\$ 589,598	\$ 360,979	\$ 190,538	\$ 1,883,170	\$ 262,458	\$ -	\$ 2,145,628
Consultants	14,943	25,309	14,943	27,547	38,009	14,943	135,693	4,680	1,952	142,325
Service Charges	4	4	4	770	4	4	788	8,951	-	9,739
Communications	12,890	68,734	12,890	214,259	68,734	12,890	390,397	30,354	-	420,751
Printing/Copying	1,077	1,259	1,077	2,180	1,259	1,077	7,929	274	-	8,203
Copier Maintenance Expense	159	357	159	397	357	159	1,587	372	-	1,959
Travel	1,917	10,525	1,917	52,381	10,525	1,917	79,182	8,264	-	87,446
Postage	14	14	14	-	14	14	71	73	-	144
Office Supplies	1,021	2,261	1,021	4,582	2,261	1,021	12,173	8,721	-	20,894
Program Supplies	828	855	828	232,231	855	828	236,425	9	-	236,434
Board/Staff Training Expense	179	179	179	16,359	179	179	17,252	8,268	-	25,520
Conference/Meeting Expense	3,472	5,140	3,472	9,942	5,192	3,472	30,691	11,941	-	42,632
Accounting Services/Software	395	889	395	988	889	395	3,953	1,090	-	5,043
Office Furniture, Fixtures, and Equipment	7,068	7,068	7,068	-	7,068	7,068	35,341	760	-	36,101
Computer & IT Equipment	826	1,558	826	6,231	1,558	826	11,825	2,780	-	14,605
IT Support	1,767	3,771	1,767	28,980	3,771	1,767	41,822	5,354	-	47,176
Website Design/Maintenance	47	349	47	6,916	349	47	7,753	105	-	7,858
Advertising	101	1,094	101	503	1,094	101	2,992	-	-	2,992
Other Professional Fees	2,270	12,295	2,270	33,368	12,295	2,270	64,768	6,804	-	71,572
Audit & Tax Prep Expense	-	-	-	-	-	-	-	28,790	-	28,790
Insurance Expense	-	-	-	-	-	-	-	7,878	-	7,878
Dues, Memberships, and Subscriptions	402	594	402	2,823	594	402	5,216	2,242	-	7,458
Office Lease	7,127	7,127	7,127	31,766	7,127	7,127	67,402	34,830	-	102,232
Program Expenses	268,826	2,671,675	268,826	17,603	2,670,875	268,826	6,166,630	2,967	-	6,169,597
Network Events	-	-	-	122,725	-	-	122,725	-	-	122,725
Depreciation Expense	-	-	-	-	-	-	-	16,887	-	16,887
Regional Expenses	-	-	-	4,060,777	-	-	4,060,777	-	-	4,060,777
	<u>\$ 515,871</u>	<u>\$ 3,182,036</u>	<u>\$ 515,871</u>	<u>\$ 5,462,926</u>	<u>\$ 3,193,988</u>	<u>\$ 515,871</u>	<u>\$ 13,386,562</u>	<u>\$ 454,852</u>	<u>\$ 1,952</u>	<u>\$ 13,843,366</u>

# Oklahoma Partnership For School Readiness Foundation, Inc.

## Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services						Supporting Services			
	Early Literacy	Community Mobilization & Support	Data Systems	Child Care Resource & Referral	Systems & Policy Development	Professional Development	Total Program Expense	Management and General	Fundraising	Total Expenses
Personnel Costs	\$ 124,490	\$ 314,064	\$ 124,490	\$ 515,332	\$ 314,064	\$ 124,490	\$ 1,516,930	\$ 235,034	\$ -	\$ 1,751,964
Consultants	7,714	36,205	7,714	14,660	36,205	7,714	110,212	-	12,180	122,392
Regional Expenses	-	-	-	3,780,161	-	-	3,780,161	-	-	3,780,161
Program Expenses	9,868	671,643	9,868	476,098	671,643	9,868	1,848,988	3,081	-	1,852,069
Coaching Incentives	-	-	-	230,173	-	-	230,173	-	-	230,173
Network Events	-	1,419	-	95,668	1,419	-	98,506	5,584	-	104,090
Office Lease	1,755	1,755	1,755	30,877	1,755	1,755	39,652	34,183	-	73,835
Other Professional Fees	655	4,103	655	66,308	4,103	655	76,479	33,913	-	110,392
Travel	599	6,161	599	28,172	8,486	599	44,616	3,173	-	47,789
Technology	3,199	22,678	3,199	40,014	22,678	3,199	94,967	3,517	-	98,484
Accounting and Auditing Services	33	73	33	135	73	33	380	12,890	-	13,270
Conferences and Meetings	205	1,961	205	9,069	5,687	205	17,332	17,741	-	35,073
Printing and Copying	713	896	713	13,070	896	713	17,001	161	-	17,162
Communications	2,490	24,500	2,490	220,473	24,500	2,490	276,943	12,264	-	289,207
Insurance	-	-	-	-	-	-	-	1,983	-	1,983
Dues, Memberships, and Subscriptions	765	813	765	2,845	813	765	6,766	1,028	-	7,794
Advertising	1,237	2,330	1,237	320	2,330	1,237	8,691	299	-	8,990
Office Furnishings and Equipment	2,222	6,600	2,222	7,473	6,600	2,222	27,339	112	-	27,451
Office Supplies	6,558	7,547	6,558	10,158	7,547	6,558	44,926	7,269	-	52,195
Service Charges	-	-	-	677	-	-	677	8,410	-	9,087
Board/Staff Training	206	1,274	206	970	1,274	206	4,136	1,862	-	5,998
Postage	-	-	-	878	-	-	878	278	-	1,156
Fundraising Campaign	-	-	-	-	-	-	-	-	412	412
Contract Management Fee	15,792	76,557	15,792	52,598	76,557	15,792	253,088	(253,088)	-	-
Depreciation	-	-	-	-	-	-	-	32,456	-	32,456
	<u>\$ 178,501</u>	<u>\$ 1,180,579</u>	<u>\$ 178,501</u>	<u>\$ 5,596,129</u>	<u>\$ 1,186,630</u>	<u>\$ 178,501</u>	<u>\$ 8,498,841</u>	<u>\$ 162,150</u>	<u>\$ 12,592</u>	<u>\$ 8,673,583</u>

# Oklahoma Partnership For School Readiness Foundation, Inc.

## Statements of Cash Flows Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ 218,267	\$ 360,801
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	16,887	32,456
Changes in assets and liabilities		
Accounts receivable	(656,472)	(1,711,469)
Prepaid and other assets	(23,470)	(26,415)
Accounts payable	532,732	919,564
Accrued expenses	24,693	-
Refundable advance liability	(1,643,949)	1,693,949
Other liabilities	<u>21,131</u>	<u>47,306</u>
Net Cash from (used for) Operating Activities	<u>(1,510,181)</u>	<u>1,316,192</u>
Cash and Cash Equivalents, Beginning of Year	<u>2,206,214</u>	<u>890,022</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 696,033</u></u>	<u><u>\$ 2,206,214</u></u>

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

The Oklahoma Partnership for School Readiness Foundation, Inc. (the Foundation) is a not-for-profit 501(c)(3) organization established to raise and coordinate both public and private resources to assist in the implementation of the Oklahoma Partnership for School Readiness Act and the achievement of the goals of the act. The Foundation, in partnership with the Oklahoma Partnership for School Readiness (OPSR) Board, enacts outcomes that promote quality early learning experiences and school readiness for young children in Oklahoma. The Foundation and the OPSR Board share the common vision that "All Oklahoma children will be safe, healthy, eager to learn, and ready to succeed by the time they enter school."

OPSR is supported by the Foundation, whose mission is to solicit and receive public and private funds in order to maximize the impact of private dollars that positively impact early childhood opportunities for Oklahoma's young children. The Foundation is generously supported by private foundations and individual donors in Oklahoma who are dedicated to improving early childhood in our state.

### **Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities. The Foundation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which provides authoritative generally accepted accounting principles for nongovernmental entities.

### **Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

### **Receivables and Credit Policies**

The Foundation has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for different aging categories. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at year-end because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, there is no allowance for credit losses at June 30, 2024.



**Property and Equipment**

Property and equipment additions over \$5,000 are recorded at cost or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

**Right of Use Leased Assets and Liabilities**

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Foundation's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire in the same reporting period.

### **Revenue and Revenue Recognition**

Revenue is recognized when the performance obligations of providing the services are met over a period of time. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Foundation's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Foundation had cost-reimbursable grants of \$0 and \$1,693,949 that have not been recognized at June 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation which are allocated on a square footage basis, as well as personnel costs, travel, technology, communications, and others, which are allocated on the basis of estimates of time and effort.

### **Income Taxes**

The Foundation is organized as an Oklahoma nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Foundation is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Foundation has appropriate support for any tax positions taken, affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2024 and 2023, the Foundation had approximately \$700,000 and \$1,900,000 in excess of FDIC insurance limits, respectively. To date, no losses have been experienced in any of these accounts.

Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Foundation's mission.

**Advertising**

Advertising costs are expensed as incurred and approximated \$3,000 and \$9,000 during the year ended June 30, 2024 and 2023, respectively.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Adoption of Accounting Standard**

As of July 1, 2023, the Foundation adopted Accounting Standards Update (ASU) No 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit losses (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including contract receivables and retainage. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts.

The Foundation adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost, beginning after July 1, 2023. No cumulative effect adjustment was recognized on July 1, 2023, as a result of the adoption of this standard. The adoption of the new standard did not materially impact the Foundation's financial statements.

**Subsequent Events**

We have evaluated subsequent events through January 30, 2025, the date the financial statements were available to be issued.

# Oklahoma Partnership For School Readiness Foundation, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

## Note 2 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2024 and 2023:

	2024	2023
Cash	\$ 696,033	\$ 2,206,214
Accounts receivable	4,170,067	3,513,595
	4,866,100	5,719,809
Less		
Funds held as refundable advance liability	-	(1,693,949)
Restricted net assets not available for general use	(742,515)	(824,483)
	<u>\$ 4,123,585</u>	<u>\$ 3,201,377</u>

## Note 3 - Property and Equipment

Property and equipment consist of the following at June 30, 2024 and 2023:

	2024	2023
Office furniture and equipment	\$ 156,066	\$ 156,066
Less accumulated depreciation	(119,811)	(102,924)
	<u>\$ 36,255</u>	<u>\$ 53,142</u>

## Note 4 - Leases

The Foundation leases certain office facilities at various terms under long-term non-cancelable operating leases. The leases expire at various dates through 2026, with one lease providing for a renewal option of five years. The Foundation includes in the determination of the right-of-use assets and lease liabilities the renewal option when the option is reasonably certain to be exercised. The Foundation's operating leases provide for increases in future minimum annual rental payments.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Foundation has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Foundation has applied the risk-free rate option of 3.3% to the office leases.

# Oklahoma Partnership For School Readiness Foundation, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Total lease costs for the years ended June 30, 2024 and 2023, consisted of operating lease cost of \$102,232 and \$73,835, respectively. Operating cash flows used for payments of operating leases for the years ended June 30, 2024 and 2023, totaled \$102,232 and \$73,835, respectively.

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term in years	4.90	5.90
Weighted-average discount rate	3.30%	3.30%

The future minimum lease payments under the noncancelable operating lease with terms greater than one year are listed below as of June 30, 2024:

	<u>Operating</u>
2025	\$ 104,108
2026	87,666
2027	53,291
2028	38,370
2029	39,138
Thereafter	<u>90,869</u>
Total lease payments	413,442
Less interest	<u>(40,302)</u>
	<u><u>\$ 373,140</u></u>

## **Note 5 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Community mobilization and support	\$ 328,942	\$ 377,666
Systems and policy development	371,190	377,666
Child care resources and referral	<u>42,383</u>	<u>69,151</u>
	<u><u>\$ 742,515</u></u>	<u><u>\$ 824,483</u></u>

# Oklahoma Partnership For School Readiness Foundation, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the year ended June 30, 2024 and 2023:

	2024	2023
Community mobilization and support	\$ 187,024	\$ 72,334
Systems and policy development	198,976	72,334
Child care resources and referral	26,768	89,392
	<u>\$ 412,768</u>	<u>\$ 234,060</u>

## Note 6 - Concentrations

Contributions to the Foundation are almost exclusively from foundation grants and government contracts and grants. Government contracts and grants totaled \$13,624,727, or 96.9%, and \$8,348,123, or 92.4% of total revenue for the years ended June 30, 2024 and 2023, respectively. As a result, support of the Foundation is dependent upon the general economic conditions in the area for the State supported revenues.

## Note 7 - Retirement Plan

The Foundation sponsors a defined contribution retirement plan covering substantially all employees. The Foundation's policy is to contribute 3% of employees' salary. Retirement Plan expense for the year ended June 30, 2024 and 2023, was \$48,248 and \$38,692, respectively.

## Note 8 - In-Kind Contributions

The Foundation receives donated services from unpaid volunteers who assist in programs and special projects. No amounts have been recognized in the statements of activities because the criteria for recognition under accounting principles generally accepted in the United States of America has not been met. Management estimates that 10 to 20 hours per month for workgroup support and assistance to staff are contributed by volunteers. The Foundation received donated services in the amount of \$14,141 during the year ended June 30, 2023, primarily for grant writing services. The Foundation received no donated services during the year ended June 30, 2024.



Supplementary Information  
June 30, 2024 and 2023

## Oklahoma Partnership For School Readiness Foundation, Inc.

Oklahoma Partnership For School Readiness Foundation, Inc.

Schedule of Expenditures of State Awards

Year Ended June 30, 2024

<u>Program Title/Grant Period</u>	<u>State Expenditures</u>
State Awards	
<u>Oklahoma Department of Human Services</u>	
Child Care and Development Block Grant	\$ 5,599,327
Oklahoma Clearinghouse for Early Childhood Success	5,299,540
Annual Base Contract	<u>779,554</u>
Total Oklahoma Department of Human Services	<u>11,678,421</u>
Total Expenditures of State Awards	<u><u>\$ 11,678,421</u></u>



**Oklahoma Partnership For School Readiness Foundation, Inc.**  
**Schedule of Revenues and Functional Expenses - Consultant Support for Oklahoma Partnership for OPSR**  
**Year Ended June 30, 2024**

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Revenue	\$ 779,554
Personnel Costs	367,875
Consultants	68,628
Service Charges	18
Contract Management Fee-IDC	70,885
Communications	59,000
Printing/Copying	5,003
Copier Maintenance Expense	397
Travel	993
Postage	66
Office Supplies	2,392
Program Supplies	36
Conference/Meeting Expense	15,733
Accounting Services/Software	988
Computer & IT Equipment	1,955
IT Support	4,080
Website Design/Maintenance	233
Advertising	503
Other Professional Fees	7,155
Dues, Membership, Subscription	2,010
Office Lease	415
Program Expenses	<u>171,189</u>
	<u><u>\$ 779,554</u></u>

**Oklahoma Partnership For School Readiness Foundation, Inc.**  
**Schedule of Revenues and Functional Expenses - Consultant Support for Oklahoma Clearinghouse for Early**  
**Childhood Success**  
**Year Ended June 30, 2024**

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Revenue	\$ 1,628,482
Personnel Costs	340,881
Consultants	20,732
Contract Management Fee-IDC	148,044
Communications	111,686
Printing/Copying	364
Copier Maintenance Expense	397
Travel	17,215
Office Supplies	2,483
Program Supplies	53
Conference/Meeting Expense	3,336
Accounting Services/Software	988
Computer & IT Equipment	1,464
IT Support	4,008
Website Design/Maintenance	605
Advertising	1,987
Other Professional Fees	20,050
Dues, Membership, Subscription	383
Program Expenses	953,806
	<u>\$ 1,628,482</u>



Other Reporting Required by *Government Auditing Standards*  
and the Uniform Guidance  
June 30, 2024 and 2023

Oklahoma Partnership For School  
Readiness Foundation, Inc.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Oklahoma Partnership For School Readiness Foundation, Inc.  
Oklahoma City, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Oklahoma Partnership For School Readiness Foundation, Inc. (the Foundation), which comprise the Foundation's statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 30, 2025.

**Report on Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation'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 were not identified.

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

As part of obtaining reasonable assurance about whether the Foundation'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 the Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma  
January 30, 2025



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

To the Board of Directors  
Oklahoma Partnership For School Readiness Foundation, Inc.  
Oklahoma City, Oklahoma

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited the Oklahoma Partnership For School Readiness Foundation, Inc.'s (the Foundation) 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 the Foundation's major federal program for the year ended June 30, 2024. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Foundation and to meet our other 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 the major federal program. Our audit does not provide a legal determination of the Foundation'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 the Foundation's federal program.

### ***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 the Foundation'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 GAAS, *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 the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Foundation'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 the Foundation'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 the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 the 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.

A handwritten signature in cursive script that reads "Eric Sully LLP".

Oklahoma City, Oklahoma  
January 30, 2025



Oklahoma Partnership For School Readiness Foundation, Inc.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Financial Assistance Listing</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
U.S. Department of Health and Human Services Passed through the Oklahoma Department of Human Services Every Student Succeeds Act/Preschool Development Grants	93.434	90TP0094	<u>\$ 1,946,306</u>	<u>\$ 659,047</u>
Total Federal Financial Assistance			<u><u>\$ 1,946,306</u></u>	<u><u>\$ 659,047</u></u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Oklahoma Partnership For School Readiness Foundation, Inc. (the Foundation) under programs of the federal government for the year ended June 30, 2024. The information 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 the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. 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.

**Note 3 - Indirect Cost Rate**

The Foundation has elected to use the 10% de minimis cost rate.

Oklahoma Partnership For School Readiness Foundation, Inc.  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

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**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weakness	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weakness	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):	No

<u>Name of Federal Programs</u>	<u>Federal Financial Assistance Listing</u>
Every Student Succeeds Act/Preschool Development Grants	93.434
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee	No

**Section II – Financial Statement Findings**

There were no current year financial statement findings.

**Section III – Federal Award Findings and Questioned Costs**

There were no current year findings applicable to major federal award programs.