THE PARENT CHILD CENTER OF TULSA, INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015 AND 2014

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Parent Child Center of Tulsa, Inc.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Parent Child Center of Tulsa, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

8905 South Yale Avenue, Suite 200 • Tulsa, OK 74137
(918) 496-1248 • Fax (918) 496-1233 • www.hfieldscpas.com

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Parent Child Center of Tulsa, Inc. as of December 31, 2015 and 2014, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Office of Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016 on our consideration of The Parent Child Center of Tulsa, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Parent Child Center of Tulsa, Inc.'s internal control over financial reporting and compliance.

Heatherington + Fields

Tulsa, Oklahoma
June 7, 2016

THE PARENT CHILD CENTER OF TULSA, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS:		
Cash and cash equivalents	$ 2,718,670	$ 1,979,241
Grants receivable	173,543	182,465
Pledges receivable, net of allowance for doubtful pledges	259,781	377,789
Safe Babies Court Team grant receivable	471,333	766,667
Prepaid insurance	15,149	16,297
Other prepaid	12,154	12,549
Endowment trust investments, at fair market value	2,858,214	3,215,202
Property and equipment, net of accumulated depreciation	1,200,084	1,155,312
Beneficial interest in assets held by Community Foundation	369,391	393,246
Total Assets	$ 8,078,320	$ 8,098,768
LIABILITIES:		
Accounts payable and accrued expenses	33,247	67,216
Deferred revenue	225,353	275,474
Total Liabilities	258,600	342,690
NET ASSETS:		
Unrestricted	3,942,431	3,894,271
Temporarily restricted	1,751,590	1,708,370
Permanently restricted	2,125,699	2,153,437
Total Net Assets	7,819,720	7,756,078
Total Liabilities and Net Assets	$ 8,078,320	$ 8,098,768

The accompanying notes are an integral part of these financial statements.

THE PARENT CHILD CENTER OF TULSA, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Changes in Unrestricted Net Assets:		
Public Support:		
Contributions	$ 331,566	$ 386,519
United Way contributions	556,796	581,796
Special fundraising events	663,007	557,050
Government grant revenue	1,193,892	1,062,620
Total Public Support	2,745,261	2,587,985
Other Revenues:		
Program service fees	6,833	17,414
Service partnership income	157,028	-
Interest income	716	17
Other income	3,466	4,351
Realized and unrealized gain or (loss) on investments	(95,889)	76,917
Total Other Revenues	72,154	98,699
Net Assets Released from Temporary Restrictions	1,434,339	811,195
Net Assets Released from Permanent Restrictions	97,480	119,695
Total Net Assets Released from Restrictions	1,531,819	930,890
Total Unrestricted Revenues and Public Support	4,349,234	3,617,574
Expenses:		
Management and general	280,751	353,510
Fundraising	472,609	457,605
Primary Prevention	542,833	260,053
Secondary Prevention	1,526,324	1,427,264
Tertiary Prevention	993,398	894,987
Safe Babies Court Team	485,159	57,497
Total Unrestricted Expenses	4,301,074	3,450,916
Increase in Unrestricted Net Assets	48,160	166,658
Changes in Temporarily Restricted Net Assets:		
Contributions	1,477,559	1,774,888
Net assets released from restrictions	(1,434,339)	(811,195)
Increase (Decrease) in Temporarily Restricted Net Assets	43,220	963,693
Changes in Permanently Restricted Net Assets:		
Investment income	97,262	92,815
Realized and unrealized gain (loss) on investments	(27,738)	57,332
Net assets released from restrictions	(97,480)	(169,695)
Increase (Decrease) in Permanently Restricted Net Assets	(27,956)	(19,548)
Increase in Net Assets	63,424	1,110,803
Net Assets, beginning of year	7,756,078	6,645,275
Net Assets, end of year	$ 7,819,502	$ 7,756,078

The accompanying notes are an integral part of these financial statements.

THE PARENT CHILD CENTER OF TULSA, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015 AND TOTALS ONLY FOR 2014

	Mgmt. & General	Fundraising	Primary Prevention	Secondary Prevention	Tertiary Prevention	Safe Babies Court Team	2015 Total	2014 Total
Salaries and Wages	$ 199,295	$ 252,851	$ 330,490	$ 1,007,671	$ 687,042	$ 178,925	2,656,274	$ 2,210,302
Employee Benefits and Taxes	40,795	45,894	61,192	193,775	132,583	35,695	509,934	462,425
Sub-total:	240,090	298,745	391,682	1,201,446	819,625	214,620	3,166,208	2,672,727
In-Kind Contributions	-	-	4,760	4,760	4,908	-	14,428	12,705
Occupancy	6,776	7,622	20,983	94,619	22,020	5,929	157,949	121,517
Supplies	4,798	-	14,030	22,095	25,734	3,574	70,231	56,897
Special Events	-	119,026	-	-	-	-	119,026	105,729
Professional Fees	22,352	20,269	59,603	28,983	19,981	246,897	398,085	153,942
Travel	1,098	978	5,762	41,171	3,512	675	53,196	56,067
Telephone	1,453	1,027	3,883	12,693	4,135	822	24,013	23,799
Printing & Publications	1,017	6,807	721	1,115	520	140	10,320	13,811
Postage & Shipping	282	603	203	643	439	119	2,289	2,034
Conferences & Meetings	4,429	1,861	11,256	36,843	47,156	3,259	104,804	46,205
Equipment Rental/Maintenance	8,834	3,952	11,404	23,345	11,696	3,193	62,424	60,352
Specific Assistance	-	-	-	9,100	662	-	9,762	6,947
Insurance	3,222	3,222	2,345	12,303	8,202	-	29,294	28,046
Membership Fees	1,254	371	494	1,566	1,071	288	5,044	4,903
New equipment/furnishing	1,314	872	6,034	5,012	2,780	-	16,012	10,209
Depreciation	6,448	7,254	9,673	30,630	20,957	5,643	80,605	75,026
Bad debt expense	(22,616)	-	-	-	-	-	(22,616)	-
Total Functional Expenses	$ 280,751	$ 472,609	$ 542,833	$ 1,526,324	$ 993,398	$ 485,159	$ 4,301,074	$ 3,450,916

The accompanying notes are an integral part of these financial statements.

THE PARENT CHILD CENTER OF TULSA, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 63,642	$ 1,110,803
Adjustments to reconcile the change in net assets to		
Cash provided by operating activities:		
Depreciation	80,605	75,026
Realized and unrealized (gain) / loss on investments	123,626	(134,249)
(Increase) decrease in:		
Grants receivable	8,921	52,427
Foundation grant receivable	-	89,900
Safe Babies Court Team receivable	295,334	(766,667)
Pledges receivable	118,008	28,685
Prepaid assets	1,543	(6,363)
Increase (decrease) in:		
Deferred revenue	(50,121)	31,285
Accounts payable and accrued expenses	(33,969)	51,976
Net Cash Provided (Used) by Operating Activities	607,589	532,823
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(125,377)	(124,714)
Investment transactions (net)	257,217	85,845
Net Cash Used by Investing Activities	131,840	(38,869)
Net Increase in Cash	739,429	493,954
Cash and Cash Equivalents, beginning of year	1,979,241	1,485,287
Cash and Cash Equivalents, end of year	$ 2,718,670	$ 1,979,241

The accompanying notes are an integral part of these financial statements.

THE PARENT CHILD CENTER OF TULSA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Parent Child Center of Tulsa, Inc. (the Organization, or PCCT) is a private, nonprofit family assistance center, which was established on November 13, 1980, for the purpose of reducing the incidence and severity of child abuse and neglect in Oklahoma. The Parent Child Center of Tulsa Endowment Trust (Trust), established January 13, 2004, is a private endowment operated as a support organization for the Parent Child Center. These consolidated financial statements include the accounts of both entities. All significant intercompany accounts and transactions have been eliminated.

Programs

The agency operates an array of programs and services relevant to its mission to prevent child abuse and neglect. In 2010, the agency adopted the nationally recognized three levels of prevention services to better describe the scope of its work. Primary Prevention services prevent abuse and neglect through education. These community education programs are high volume, low intensity short duration and do not assess individual risk for abuse and neglect. Secondary Prevention services protect from abuse and neglect through targeted interventions with families with known risk characteristics. These services are offered primarily in the home and are designed to improve child safety and well being. Tertiary Prevention services help parents and children heal through treatment. These intensive therapeutic services help break the cycle for the next generation by working with parents and children who have been victims of abuse and neglect.

Beginning in October 2014, The Parent Child Center of Tulsa accepted the role of administrator for a three year pilot project in Tulsa County called Safe Babies Court Team. As such, PCCT has been the recipient of restricted grant funds for the purpose of entering into and managing several contracts on behalf of a local community stakeholders group working to improve care and outcomes for children ages 0 to 3 who enter state custody.

Significant Accounting Policies

The accounting policies of the Organization conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. The significant accounting policies of the organization are described below.

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting –

The Organization prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Endowment -

The Organization has an Endowment Trust which is managed by a board of five Trustees. This Board of Trustees includes three business leaders from the community plus the President and Treasurer of the PCCT Board of Directors, the governing body of the Organization. Income from the Trust may be distributed to the Organization for unrestricted use unless restricted by the donor. The unrestricted principal of the Trust may be distributed to the Organization with Board of Trustees approval.

Net Assets -

The net assets of the Organization have been classified as unrestricted, temporarily restricted, and permanently restricted, in accordance with FASB ASC 958, "Not-For-Profit Entities". Designated net assets reflect balances which have been allocated for specific purposes by the Organization's Board of Directors.

Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents -

Cash equivalents include short-term investments. The Organization considers all highly liquid debt instruments with maturities of three months or less, at date of purchase, to be cash equivalents. Cash equivalents are recorded at cost, which approximates market.

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment Investments, at fair market value –

The fair market values of securities held in the Parent Child Center's Endowment accounts at December 31, 2015, are as follows:

	Cost	Market Value
Equities and mutual funds	$ 2,165,469	$ 2,858,214

The Organization follows the guidance in ASC 820 which defines fair value, establishes a framework for measuring fair value under GAAP and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair market values are based on the fair value hierarchy. The standard describes three levels of inputs that may be used to measure fair value as provided below.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities: quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

All of the Organization's investments are recorded at fair value on a recurring basis and based on Level 1 inputs.

Pledges Receivable -

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit pledge receivable. The balance in the valuation allowance totaled approximately $29,000 and $42,000 for the years ended December 31, 2015 and 2014, respectively.

Property and Depreciation -

The Organization follows the practice of capitalizing all expenditures for equipment in excess of $500. Depreciation is computed using the straight-line method over the estimated useful life of the assets ranging from three to ten years for equipment and forty years for the building.

Donated Assets -

Donated marketable securities and other non-cash donations are reflected as contributions in the accompanying statements at their estimated fair value at date of receipt.

Donated Property and Equipment -

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributed Services and Facilities -

The Organization recognizes contribution revenue for certain services received at the fair value of those services provided those services create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Additionally, the Organization occupies space in various locations rent-free. At December 31, 2015, the total amount of these services and facilities was $14,428 and was recognized as contribution revenue and expense (as in-kind contributions) in the accompanying statement of activities. The agency also received 1,693 hours of volunteer services which are not recognized in the financial statements.

Contributions -

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Grants and Contracts -

Grants and contracts received from federal, state and local governments and private foundations are recorded as revenues and receivables when the related direct costs are incurred.

Deferred Revenue -

The Organization hosts a fundraising special event, Toyland Ball, during January of each year. Deferred revenue consists of $225,192 in sponsorships and other contributions that have been received in advance for the January 2016 event.

Income Taxes -

The Organization is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, the financial statements do not reflect a provision for income taxes. The federal income tax returns of the Organization for 2013, 2014 and 2015 are subject to examination by the IRS, generally for three years after they are filed.

Functional Expenses -

Expenses are charged to each program based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to a program based on related salary expenses.

Subsequent Events -

Subsequent events were evaluated through June 7, 2016, which is the date the financials were available to be issued.

(2) PROPERTY AND EQUIPMENT

Property and Equipment consists of the following:

	2015	2014
Land and Building	$ 1,381,242	$ 1,381,242
Furniture, Fixtures and Equipment	620,181	541,801
Software	121,934	74,938
Autos	30,076	30,076
Artwork	17,463	17,463
	2,170,896	2,045,520
Less accumulated depreciation	(970,812)	(890,208)
Property and Equipment, net	$ 1,200,084	$ 1,155,312

(3) BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

On December 27, 1999, the Organization entered into an agreement with the Tulsa Community Foundation, an Oklahoma not-for-profit corporation and community foundation, to create an Agency Fund of the Foundation. The name of the fund shall be The Parent Child Center of Tulsa fund. Its purpose is to provide the Organization with an endowment for the purpose of on-going building maintenance. On this same day, the Organization contributed to the Foundation $300,000. It is the policy of the Foundation that a substantial part of its agency funds shall remain as a permanent endowment.

Distributions shall be made for the benefit of the Organization. The Fund shall be the property of the Foundation. The Foundation has the ultimate authority and control of all property of the Fund, and the income derived therefrom, for the charitable purpose of the Foundation.

(4) THE PARENT CHILD CENTER ENDOWMENT TRUST

On January 13, 2004, the Board of Directors of the Organization created The Parent Child Center of Tulsa Endowment Trust (Trust). This Trust is to be operated as a support organization for the Parent Child Center and is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

(5) LEASES

The Organization entered into a joint agreement effective October 17, 2013, with Emergency Infant Services, Inc. to lease office space, whereby the Organization is liable for 57% of the monthly rental. This lease expires on December 31, 2016. The Organization also leases various equipment and one auto lease with various expiration dates through April 2018. Minimum annual rental commitments are as follows:

Year	Payment
2016	83,616
2017	19,947
2018	5,375
2019	3,900
2020	1,300
	$ 114,138

Rental and lease expense, exclusive of utilities, was approximately $73,255 and $68,115 for the years ended December 31, 2015 and 2014, respectively.

(6) NET ASSETS

The Organization reports gifts of cash and other assets as restricted support 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 purposed restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily restricted net assets are released from restriction through expenditure for the purpose designated.

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable as designated.

At December 31, 2015, net assets consist of the following:

Unrestricted:	
Undesignated	$ 2,668,935
Board designated:	
Endowment	1,273,496
Total Unrestricted Net Assets	$ 3,942,431
Temporarily Restricted:	
Total Temporarily Restricted Net Assets	$ 1,751,590
Permanently Restricted:	
Donor Endowment for programs	$ 1,756,308
Funds at Tulsa Community Foundation	369,391
Total Permanently Restricted Net Assets	$ 2,125,699

During 2014, the Supervised Visitation program was discontinued. Donors released $100,000 of permanently restricted funds designated for the Supervised Visitation program, granting permission for the funds to be used in other existing programs. The trustees of the endowment trust also released the earnings related to the balance.

(7) RETIREMENT PLAN

As of April 1, 2009, the Organization converted to a 403(b) Thrift Plan. Employee contributions are voluntary but the Organization will match up to 3% of employee's annual compensation. Employer's portion of the contributions is fully vested for the employee after completion of 3 years of vesting employment. For the calendar years 2015 and 2014, respectively, employer contributions of $50,865 and $47,305 were made to the plan.

(8) PLEDGES RECEIVABLE

The Organization holds a yearly fund drive to raise capital for programs and operations. Pledges are made for a period of time up to five years. The pledges receivable as of December 31, 2015 are unconditional. Pledges receivable after 2016 are discounted at 1.5%.

The pledges receivable are due as follows:

2016	$ 201,061
2017	38,620
2018	27,310
2019 & thereafter	21,655
Total Pledges receivable	288,646
Less: Allowance for doubtful pledges	(28,865)
Pledges receivable, net	$ 259,781

(9) CONCENTRATIONS

The Organization receives a substantial amount of its support from local agencies. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

The Organization receives support in the form of grants, which require fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although it is a possibility, management deems the contingency to be remote.

The Organization provides various services to residents in the Tulsa area. Some services are provided free of charge and others on a sliding scale.

(10) COMMITMENTS AND CONTINGENCIES

The Organization is party to legal proceedings that occur in the normal course of business. Management does not believe any legal proceedings will have a material adverse impact on the company's financial statements.

The Organization participates in government grants and contracts which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective government grants and contracts are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grant, refunds of any money received may be required and the collectability of any related receivables at December 31, 2015, may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the government grants and contracts.

OTHER REPORTS

THE PARENT CHILD CENTER OF TULSA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Pass through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period	Program/ Award Amount*	Revenue Recognized	Disbursements/ Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through Tulsa City-County Health Department						
Healthy Start Initiative	93.926E	N/A	06/01/14 to 05/31/15	$ 98,317	48,333	48,333
	93.926E	N/A	06/01/15 to 05/31/16	98,317	15,941	15,941
				196,634	64,274	64,274
Passed through Oklahoma State Department of Health - Office of Child Abuse Prevention						
MIECHV Healthy Families America Home Visitation Services	93.505		9/30/14 to 9/29/15	$ 229,500	85,888	85,888
	93.505		9/30/15 to 9/29/16	229,500	97,860	97,860
				459,000	183,748	183,748
Passed through Oklahoma University Health Science Center - Center of Child Abuse Prevention						
MIECHV Healthy Families America Home Visitation Services	93.505		10/1/14 to 9/30/15	$ 272,474	113,862	113,862
	93.505		10/1/15 to 9/30/16	268,000	123,159	123,159
				540,474	237,021	237,021
Total U.S. Department of Health and Human Services:				$ 1,196,108	485,043	485,043
Passed through State of Oklahoma District Attorney's Council						
Victims of Crime Assistance	16.575	0507-15269	07/01/14 to 6/30/15	$ 45,772	24,460	24,460
	16.575	09-087	07/01/15 to 6/30/16	175,901	78,933	78,933
				221,673	103,393	103,393
Total U.S. Department of Justice:				$ 221,673	103,393	103,393
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Passed through City of Tulsa						
Family Support Service	14.231	970133	10/01/14 to 9/30/15	$ 29,122	13,255	13,255
			10/01/15 to 9/30/16	40,000	8,241	8,241
				69,122	21,496	21,496
Total U.S. Department of Housing and Urban Development				$ 69,122	21,496	21,496
Total Federal Assistance				$ 1,486,903	609,932	609,932

*The contract amount represents federal funding only and does not include any matching funds.

THE PARENT CHILD CENTER OF TULSA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes all the federal grant activity of The Parent Child Center of Tulsa, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

THE PARENT CHILD CENTER OF TULSA, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

State Grantor/ Program Title	Contract Number	Contract Period		Contract Amount		Revenues Recognized		Disbursements/ Expenditures
Oklahoma Department of Human Services:								
Parents Assistance	14000111	07/01/14 to 06/30/15	$	206,700	$	96,226	$	96,226
	14000111	07/01/15 to 06/30/16		174,000		82,996		82,996
				380,700		179,222		179,222
Oklahoma State Health Department:								
Multidisciplinary In-Home Support Team	PO3409016761	07/01/14 to 06/30/15	$	424,067	$	205,023	$	205,023
	PO3409016761	07/01/15 to 06/30/16		424,067		199,715		199,715
				848,134		404,738		404,738
Total State Financial Assistance			$	1,228,834	$	583,960	$	583,960

Total Government Financial Assistance:

Tie in to financial statements:

Revenue-federal	$	609,932
Revenue-state		583,960
Total	$	1,193,892

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
The Parent Child Center of Tulsa, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Parent Child Center of Tulsa, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Parent Child Center of Tulsa, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Parent Child Center of Tulsa, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Parent Child Center of Tulsa, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

8905 South Yale Avenue, Suite 200 • Tulsa, OK 74137
(918) 496-1248 • Fax (918) 496-1233 • www.hfieldscpas.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Parent Child Center of Tulsa, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heatherington & Fields

Heatherington & Fields
Tulsa, Oklahoma
June 7, 2016