TULSA BOYS' HOME, INC.

INDEPENDENT AUDITOR'S REPORT AND COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

CONKLIN • GILPIN • WERTZ PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tulsa Boys' Home, Inc.

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Tulsa Boys' Home, Inc. (including wholly owned subsidiaries Bear Lodge, LLC, Wolf Lodge, LLC, Eagle Lodge, LLC and Falcon Lodge, LLC), which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Tulsa Boys' Home, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity 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. 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 Tulsa Boys' Home, 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 opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 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 combined financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Tulsa Boys' Home 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tulsa Boys' Home 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying Schedule of Revenues and Expenditures by Funding Source, the Combining Statement of Financial Position, and the Combining Statement of Activities on pages 23-25 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 September 14, 2022 on our consideration of Tulsa Boys' Home, 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 Tulsa Boys' Home, Inc.'s internal control over financial reporting and compliance.

Conklin, Gilpin & Wertz, P.L.L.C.

CONKLIN, GILPIN, & WERTZ, P.L.L.C.
Certified Public Accountants

September 14, 2022
Tulsa, Oklahoma

TULSA BOYS' HOME, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 2,372,891	$ 1,909,272
Accounts receivable, net	550,223	592,711
Pledges receivable, net	333,869	455,770
Beneficial interest in trusts	5,251,531	5,036,132
Prepaid expenses	64,262	63,983
Other assets	6,348	8,898
Investments	15,465,907	13,597,576
Land, buildings and equipment, net of depreciation	7,446,432	7,923,418
Assets held for sale	-	1,100,000
Oil and gas properties, net of depletion	100	100
TOTAL ASSETS	**$ 31,491,563**	**$ 30,687,860**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$ 477,325	$ 473,260
Deferred income	12,137	10,000
Total liabilities	489,462	483,260
NET ASSETS		
Without donor restrictions		
Undesignated	11,057,710	11,677,667
Board designated quasi-endowment	7,713,471	6,141,789
Total without donor restrictions	18,771,181	17,819,456
With donor restrictions	12,230,920	12,385,144
Total net assets	31,002,101	30,204,600
TOTAL LIABILITIES AND NET ASSETS	**$ 31,491,563**	**$ 30,687,860**

See accompanying notes to combined financial statements.

TULSA BOYS' HOME, INC.
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES, GAINS, AND OTHER SUPPORT		
Program service fees from governmental agencies	$ 4,686,604	$ 4,688,989
Contributions	959,269	1,513,471
Paycheck protection program	-	798,800
Legacies and bequests	259,886	1,329,388
Special events	480,950	367,809
Oil property income, net	104,354	60,831
Program service fees	5,951	4,020
Investment return, net	1,161,609	799,220
Loss on sale of assets	(209,584)	-
Other	56,321	91,271
Revenues, gains, and other support	7,505,360	9,653,799
NET ASSETS RELEASED FROM RESTRICTION	1,405,190	1,159,476
Total revenues, gains, and other support	8,910,550	10,813,275
EXPENSES		
Program services	5,483,310	5,311,695
Management and general	2,051,737	1,864,671
Fundraising	423,778	357,811
Total expenses	7,958,825	7,534,177
Increase in net assets without donor restrictions	951,725	3,279,098
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Investment return, net	602,189	742,942
Appreciation in beneficial interest in trusts	469,779	550,745
Contributions	178,998	80,275
Net assets released from restriction	(1,405,190)	(1,159,476)
(Decrease) increase in net assets with donor restrictions	(154,224)	214,486
INCREASE IN NET ASSETS	797,501	3,493,584
NET ASSETS, BEGINNING OF YEAR	30,204,600	26,711,016
NET ASSETS, END OF YEAR	**$ 31,002,101**	**$ 30,204,600**

See accompanying notes to combined financial statements.

TULSA BOYS' HOME, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 797,501	$ 3,493,584
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	614,338	616,892
Loss on sale of assets	209,584	-
Realized and unrealized gain on investments	(1,585,340)	(1,394,544)
Contribution of securities	-	(215,985)
Changes in assets and liabilities:		
Accounts and pledges receivable	164,389	(25,161)
Beneficial interest in trusts	(215,399)	(55,228)
Prepaid expenses and other assets	2,271	(10,285)
Accounts payable and accrued liabilities	4,065	(104,563)
Deferred income	2,137	(26,500)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(6,454)	2,278,210
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, buildings and equipment	(137,352)	(143,178)
Purchase of investments	(7,305,264)	(11,952,325)
Proceeds from sale of investments	7,022,273	10,845,257
Proceeds from sale of land held for sale	890,416	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	470,073	(1,250,246)
NET CHANGE IN CASH AND CASH EQUIVALENTS	463,619	1,027,964
CASH AND CASH EQUIVALENTS, beginning of year	1,909,272	881,308
CASH AND CASH EQUIVALENTS, end of year	**$ 2,372,891**	**$ 1,909,272**
Supplemental cash flow information:		
Interest paid	$ -	$ 386
Non-cash investing and financing transactions		
Contribution of securities	$ -	$ 215,985

See accompanying notes to combined financial statements.

TULSA BOYS' HOME, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 2,652,068	$ 1,203,592	$ 164,537	$ 4,020,197
Other employee benefits	550,957	185,093	27,005	763,055
Payroll taxes	208,482	100,812	10,218	319,512
Fees for legal services	-	3,452	-	3,452
Fees for accounting services	-	106,490	-	106,490
Fees for other services	135,052	-	7,369	142,421
Advertising and promotion	13,081	2,431	5,739	21,251
Office	24,123	11,521	1,520	37,164
Information technology	-	17,233	-	17,233
Occupancy	590,109	85,740	13,314	689,163
Travel	19,548	3,086	354	22,988
Conferences, conventions, meetings	26,264	9,703	1,065	37,032
Insurance	151,693	20,206	4,774	176,673
Postage and printing	14,426	5,107	1,423	20,956
Supplies	467,025	7,487	1,925	476,437
Miscellaneous	22,669	252,924	7,882	283,475
Boys' medical and personal expenses	27,076	-	-	27,076
Youth ministry and activities	21,689	-	-	21,689
Fundraising events - direct cost of benefits provided to donors	-	-	158,223	158,223
Total expenses before depreciation	4,924,262	2,014,877	405,348	7,344,487
Depreciation	559,048	36,860	18,430	614,338
TOTAL EXPENSES	$ 5,483,310	$ 2,051,737	$ 423,778	$ 7,958,825

See accompanying notes to combined financial statements.

TULSA BOYS' HOME, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 2,650,800	$ 1,112,913	$ 172,853	$ 3,936,566
Other employee benefits	480,430	218,130	25,504	$ 724,064
Payroll taxes	184,590	83,841	9,805	278,236
Fees for legal services	-	8,825	2,914	11,739
Fees for accounting services	-	89,021	-	89,021
Fees for other services	73,961	-	8,951	82,912
Advertising and promotion	446	5,126	5,013	10,585
Office	27,446	12,109	1,416	40,971
Information technology	-	8,763	-	8,763
Occupancy	642,823	61,119	15,606	719,548
Travel	17,860	3,369	411	21,640
Conferences, conventions, meetings	16,395	5,803	777	22,975
Interest	-	386	-	386
Insurance	140,028	18,394	4,439	162,861
Postage and printing	14,354	5,083	5,137	24,574
Supplies	438,385	7,137	1,032	446,554
Miscellaneous	22,409	168,455	13,128	203,992
Boys' medical and personal expenses	26,383	-	-	26,383
Youth ministry and activities	32,585	-	-	32,585
Fundraising events - direct cost of benefits provided to donors	-	-	72,930	72,930
Total expenses before depreciation	4,768,895	1,808,474	339,916	6,917,285
Depreciation	542,800	56,197	17,895	616,892
TOTAL EXPENSES	$ 5,311,695	$ 1,864,671	$ 357,811	$ 7,534,177

See accompanying notes to combined financial statements.

A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Tulsa Boys' Home, Inc. (the Home) is an Oklahoma nonprofit corporation whose purpose is to provide a full range of social and educational services to boys and their families experiencing social and emotional conflicts. The Home provides residential treatment for sixty-four boys with serious mental health, behavioral and substance abuse issues. Length of stay depends on the needs of the resident.

During 2013, the Home formed four wholly-owned LLC's: Bear Lodge, LLC, Eagle Lodge, LLC, Falcon Lodge, LLC, and Wolf Lodge, LLC. Each of these lodges provides child welfare services.

Use of estimates

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

Basis of presentation

The accompanying combined financial statements of the Home are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets are classified in the combined financial statements based on the existence or absence of donor-imposed restrictions, as follows:

> Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Home's management and the Board of Directors.
>
> Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Home or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Principles of combined presentation

The accompanying combined financial statements include the accounts of Tulsa Boys' Home, Inc., Bear Lodge, LLC, Eagle Lodge, LLC, Falcon Lodge, LLC, and Wolf Lodge, LLC. All entities are owned under common control. All significant inter-organization balances and transactions have been eliminated.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit and interest-bearing accounts with an initial maturity of three months or less.

Accounts and pledges receivable

Accounts receivable at December 31, 2021 and 2020, consist primarily of amounts due from state agencies. The Home does not charge interest on receivables. Accounts and pledges receivable are charged to expense in the period they are deemed to be uncollectible.

A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Accounts and pledges receivable - continued

Unconditional pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional pledges are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. Pledges receivable are measured at fair value. The fair value of pledges receivable is determined using present value techniques that consider historical trends of collection, the type of donor, general economic conditions, and market interest rate assumptions.

Investments

Investments in marketable equity securities, debt securities and cash management funds are stated at fair value, as reported by the independent trustee. Investments in oil and gas properties are stated at cost less an allowance for depletion.

Income and gains on investments are reported as increases in net assets with donor restrictions if the terms of the gift or applicable law imposed restrictions on the use of income, and as increases in net assets without donor restrictions in all other cases. Generally, losses on investments of restricted endowments reduce net assets without donor restrictions to the extent donor-imposed restrictions on the net appreciation of investments have not been met before the loss occurs. Any remaining losses reduce net assets with donor restrictions but can be restored through subsequent investment gains.

Land, buildings and equipment

Major additions and repairs with an estimated useful life greater than one year are capitalized. Land, buildings, and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. The cost of maintenance and minor repairs is charged to expense as incurred.

Support

The Home 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restriction. Contributions whose restrictions are met in the same accounting period during which the contributions are received are recorded as unrestricted support in the period received.

The Home reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. The Home reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

From time to time, the Home receives contributed goods and services, including food and counseling services to supplement its operating resources. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Home. During the years ended December 31, 2021 and 2020, there were no contributed goods or services received meeting the requirements for recognition in the combined financial statements.

A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition

Fees received from state governmental agencies are recognized as revenue when services are rendered. Related costs are expensed as incurred.

Special events revenue is comprised of an exchange element based on upon the direct benefits donors receive and a contribution element for the difference. The Home recognizes special event revenue equal to the fair value of direct benefits to donors when the special event takes place. The contribution element is recognized immediately, unless there is a right of return if the event does not take place. The exchange element is recognized at a point in time, when the event occurs.

Income taxes

The Home is exempt from income taxes under Internal Revenue Code section 501(c)(3) and a similar provision of state law. Therefore, no provision for income taxes has been made in the accompanying combined financial statements. In addition, the Home qualifies for the charitable contribution deduction under section 170(b)(1)(A).

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the combined financial statements. Under that guidance, the Home may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Home and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the combined financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities.

The Home files income tax returns in the U.S. federal jurisdiction and the state of Oklahoma. The statute of limitations for both federal and Oklahoma tax returns is three years, therefore tax returns for years ended prior to 2018 are no longer subject to examination.

Fair value measurements

Accounting Standards Codification (ASC) Topic 820-10, Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

Level 1
- Unadjusted quoted prices for identical assets or liabilities in active markets that the Home has the ability to access.

Level 2

- Quoted prices in active markets for similar assets and liabilities.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair value measurements – continued

Level 3

- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the program management and general, and fundraising services provided based upon management's experience and other factors. Expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages	Time and effort
Other employee benefits	Time and effort
Payroll taxes	Time and effort
Fees for other services	Time and effort
Advertising and promotion	Estimated usage
Office	Time and effort
Information technology	Estimated usage/technology type
Occupancy	Estimated usage
Travel	Time and effort
Conferences, conventions, meetings	Time and effort
Interest	Estimated usage of line-of-credit funds
Insurance	Square footage/insurance type
Postage and printing	Time and effort
Supplies	Estimated usage/supply type
Miscellaneous	Time and effort
Depreciation	Square footage/asset type

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent events

The Home has evaluated subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

B – ACCOUNTS AND PLEDGES RECEIVABLE

Accounts and pledges receivable at December 31, 2021 and 2020 consist of the following:

	2021		
	0-1 year	1-5 years	Total
Pledges receivable	$ 174,976	$ 158,893	$ 333,869
Accounts receivable	$ 520,324	$ 29,899	$ 550,223

	2020		
	0-1 year	1-5 years	Total
Pledges receivable	$ 204,820	$ 250,950	$ 455,770
Accounts receivable	$ 558,871	$ 33,840	$ 592,711

The allowance for uncollectible accounts and pledges receivable was $77,543 and $49,410 as of December 31, 2021 and 2020, respectively.

C – BENEFICIAL INTEREST IN TRUSTS

During 2021 and 2020, the Home was the beneficiary under three charitable trusts administered by an outside party as summarized below:

2021	Current	Long Term	Total
Trust one	$ 58,708	$ 183,910	$ 242,618
Trust two	-	4,845,940	4,845,940
Trust three	-	162,973	162,973
Beneficial interest in trusts	$ 58,708	$ 5,192,823	$ 5,251,531

2020	Current	Long Term	Total
Trust one	$ 66,000	$ 223,106	$ 289,106
Trust two	-	4,589,525	4,589,525
Trust three	-	157,501	157,501
Beneficial interest in trusts	$ 66,000	$ 4,970,132	$ 5,036,132

Under the terms of one trust, the Home has the irrevocable right to receive annual donations of approximately $66,000 per year through 2022, and approximately $39,000 from 2023 through 2026. The estimated value of the expected future cash flows was $242,618 and $289,106, which represents the present value of the future cash flows as of December 31, 2021 and 2020, respectively.

Under the terms of a second trust, the Home has a 25% interest in the assets and income of the trust. Annual income distributions are made to the Home, and upon termination of the trust, the Home is entitled to 25% of the remaining principal. The beneficial interest in the trust is recorded at the Home's share of the underlying assets at fair market value, which was $4,845,940 and $4,589,525 as of December 31, 2021 and 2020, respectively.

C – BENEFICIAL INTEREST IN TRUSTS – continued

Under the terms of a third trust, the Home has a 9% interest in the assets and income of the trust. Annual income distributions are made to the Home, and upon termination of the trust, the Home is entitled to 9% of the remaining principal. The beneficial interest in the trust is recorded at the Home's share of the underlying assets at fair market value, which was $162,973 and $157,501 as of December 31, 2021 and 2020, respectively

D - INVESTMENTS

Investments are summarized as follows at December 31, 2021 and 2020:

	2021	2020
Investments		
BOK Reynolds Restricted Maintenance Fund	$ 2,070,955	$ 1,816,921
BOK Equine Fund	107,897	113,132
BOK Bridge to the Future Fund	41,567	137,217
Midfirst Trust Fund	8,727	7,821
Vista Investment	1,449	-
BOK Endowment Fund	11,929,186	10,378,289
Tulsa Community Foundation Endowment Fund	319,484	298,699
BOK Restricted for Programs (Reynolds) Fund	724,458	617,488
Walter B. Hall Memorial Educational Fund	262,184	228,009
Total investments held at fair value	15,465,907	13,597,576
Other long-term investments		
Oil and gas properties, net	100	100
Assets held for sale	-	1,100,000
Total other long-term investments	100	1,100,100
Total investments	$ 15,466,007	$ 14,697,676

Tulsa Boys' Home Multiple-Purpose Trust

The Tulsa Boys' Home Multiple-Purpose Trust (the Trust) is organized into the Permanent Endowment Fund, the Restricted Fund for Programs (Reynolds) Fund, and the Walter B. Hall Memorial Educational Fund, and are reported in the combined financial statements as "Long-term Investments."

The mutual intent of the Home and the Tulsa Community Foundation Endowment Fund (TCF) is to create a permanent endowment for the benefit of the Home. The objective of the investment management and distribution policies is to provide for sufficient fund growth after distribution and investment expenses in order to preserve the inflation-adjusted value of the investment portfolio. Investment management policies are directed by TCF. TCF holds the fund at Bank of Oklahoma, N.A. In unusual circumstances of need or opportunity, the Home may request a distribution of all or a portion of the Fund from the TCF upon two-thirds vote of the Board. TCF may grant the request if it concludes the distribution is neither unreasonable nor inconsistent with the charitable purposes of TCF and the Home; however, TCF has the ultimate unilateral authority over and control of all property in the Fund.

D – INVESTMENTS – continued

Tulsa Boys' Home Multiple-Purpose Trust – continued

Activity in the Home's investments is summarized as follows:

	Endowment Fund	Walter B. Hall Memorial Education	Reynolds Restricted For Programs	Total Restricted and Board Designated Investments	Operations	Total Investments
Investments, December 31, 2020	$ 10,676,988	$ 228,009	$ 312,000	$ 11,216,997	$ 3,480,679	$ 14,697,676
Dividends and interest	176,025	3,954	-	179,980	43,179	223,159
Contributions, income and collection of receivables	868,561	-	-	868,561	-	868,561
Oil and gas income	-	-	-	-	107,618	107,618
Realized capital gains	609,854	12,887	-	622,741	246,174	868,915
Unrealized appreciation (depreciation)	623,743	21,123	-	644,866	71,559	716,425
Investment fees and expenses	(29,450)	(859)	-	(30,309)	(14,687)	(44,996)
Oil and gas production taxes	-	-	-	-	(3,264)	(3,264)
Distributions	(677,051)	(2,930)	-	(679,981)	(1,078,522)	(1,758,503)
Loss on sale of assets	-	-	-	-	(209,584)	(209,584)
Investments, December 31, 2021	$ 12,248,670	$ 262,184	$ 312,000	$ 12,822,855	$ 2,643,152	$ 15,466,007

	Endowment Fund	Walter B. Hall Memorial Education	Reynolds Restricted For Programs	Total Restricted and Board Designated Investments	Operations	Total Investments
Investments, January 1, 2020	$ 7,703,835	$ 200,020	$ 392,000	$ 8,295,855	$ 3,684,224	$ 11,980,079
Dividends and interest	140,399	3,009	-	143,408	40,039	183,447
Contributions, income and collection of receivables	1,903,205	-	-	1,903,205	-	1,903,205
Oil and gas income	-	-	-	-	65,117	65,117
Realized capital gains	581,909	18,181	-	600,090	279,795	879,885
Unrealized appreciation (depreciation)	519,224	7,602	-	526,826	(12,167)	514,659
Investment fees and expenses	(22,999)	(803)	-	(23,802)	(12,027)	(35,829)
Oil and gas production taxes	-	-	-	-	(4,286)	(4,286)
Distributions	(148,585)	-	(80,000)	(228,585)	(560,016)	(788,601)
Investments, December 31, 2020	$ 10,676,988	$ 228,009	$ 312,000	$ 11,216,997	$ 3,480,679	$ 14,697,676

E – ENDOWMENT FUND

The terms of the Trust provide that, "The principal of the Permanent Endowment Fund (the Fund) shall not be invaded except upon approval of the District Court in and for Tulsa County, State of Oklahoma. Such approval shall be given only upon the application of two-thirds of the Board of Directors of Tulsa Boys' Home (the Board) and all Endowment Committee members. Such application to the District Court must specify the circumstances which have caused the use of principal to be reasonably necessary for the direct operation of Tulsa Boys' Home and must state that other funds (whether or not held under this trust agreement) which are available to the Tulsa Boys' Home are not reasonably sufficient or available for such operations".

The Board interprets the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

E – ENDOWMENT FUND – continued

As a result, the Home classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Effective January 1, 1996, the Trust was amended to provide that realized and unrealized net income of the Permanent Endowment Fund investments is available for operations, subject to limitations. Effective January 1, 2012, the Board established that the maximum distribution in any calendar year will not exceed 5% of the average preceding three-year rolling market value.

Distributions of net income will not be allowed to reduce the value of the Permanent Endowment Fund below the minimum amount, as defined in the Trust. The portion of the endowment fund that is required to be retained permanently either by explicit donor stipulation or by the State Prudent Management of Institutional Funds Act is $4,535,119 at both December 31, 2021 and 2020.

The unrestricted portion of the Endowment Fund includes a portion deemed internally as the Carl & Virginia Short Fund. This fund was established as a "rainy day" fund for years with minimal investment returns or other operational needs. As of December 31, 2021 and 2020, the amount of this fund was approximately $3,471,939 and $2,923,089 respectively.

The Home has adopted investment policies for endowment assets that attempt to protect and grow the assets of the Trust. In order to minimize the risk of large losses, the Home relies on a diversified strategy and does not permit any one style of investment to represent more than 60% of the endowment's market value. Investments may not be made in alternative investment options without the prior specific consent of the Endowment Committee. Un-invested cash balances are to be minimized through investment in short term or more permanent vehicles which are to be prime quality assets that produce competitive rates of return and liquidity. Fixed income investments are to be selected based on investment grade issues only. Common stock investments should be investments showing prospects for a superior return over a three to five-year time period.

Changes in Endowment Fund net assets for 2021 and 2020 consist of the following:

2021	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund net assets, beginning of year	$ 6,141,789	$ 4,535,199	$ 10,676,988
Contributions	868,561	-	868,561
Investment income, net of fees	90,994	55,581	146,575
Realized and unrealized gains	724,091	509,506	1,233,597
Appropriation of endowment assets for current expenditure	565,087	(565,087)	-
Transfers to operating funds	(677,051)	-	(677,051)
Endowment Fund net assets, end of year	$ 7,713,471	$ 4,535,199	$ 12,248,670

E – ENDOWMENT FUND – continued

2020	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund net assets, beginning of year	$ 3,168,636	$ 4,535,199	$ 7,703,835
Contributions	1,903,205	-	1,903,205
Investment income, net of fees	50,738	66,662	117,400
Realized and unrealized losses	452,842	648,291	1,101,133
Appropriation of endowment assets for current expenditure	714,953	(714,953)	-
Transfers to operating funds	(148,585)	-	(148,585)
Endowment Fund net assets, end of year	$ 6,141,789	$ 4,535,199	$ 10,676,988

F - FAIR VALUE MEASUREMENTS

The Home's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in the Home's significant accounting policies in Note A to the combined financial statements. The following tables present information about the Home's assets measured at fair value on a recurring basis as of December 31, 2021 and 2020:

	2021	Level 1	Level 2	Level 3
Investments				
Money market	$ 466,926	$ 466,926	$ -	$ -
Equity mutual funds	11,010,276	11,010,276	-	-
Alternative investment funds	757,631	757,631	-	-
Fixed income mutual funds	3,231,074	3,231,074	-	-
Investments, at fair value	$ 15,465,907	$ 15,465,907	$ -	$ -
Pledges receivable	$ 333,869	$ -	$ -	$ 333,869
Beneficial interest in trusts	$ 5,251,531	$ -	$ 5,251,531	$ -

	2020	Level 1	Level 2	Level 3
Investments				
Money market	$ 535,096	$ 535,096	$ -	$ -
Equity mutual funds	9,484,659	9,484,659	-	-
Alternative investment funds	601,374	601,374	-	-
Fixed income mutual funds	2,976,447	2,976,447	-	-
Investments, at fair value	$ 13,597,576	$ 13,597,576	$ -	$ -
Pledges receivable	$ 455,770	$ -	$ -	$ 455,770
Beneficial interest in trusts	$ 5,036,132	$ -	$ 5,036,132	$ -

The fair value of pledges receivable is determined using present value techniques that consider historical trends of collection, the type of donor, general economic conditions, and market interest rate assumptions.

Using the Home's estimated risk-free rate of 2.67%, the beneficial interest in the first trust disclosed in Note C was valued using the present value of future cash flows expected as of December 31, 2021 and 2020, respectively.

F - FAIR VALUE MEASUREMENTS- continued

The trusts disclosed in Note C were valued based on the fair market value of the assets held by each trust as of December 31, 2021 and 2020, respectively. Assets held by the trust consist of investments with readily determinable market values as of each measurement date.

The table below presents information about the changes in pledges receivable for the years ended December 31, 2021 and 2020:

Beginning balance, January 1, 2020	$ 307,555
New pledges received	330,100
Collections	(136,235)
Pledges deemed uncollectible	(45,650)
Ending balance, December 31, 2020	$ 455,770
New pledges received	20,500
Collections	(83,185)
Pledges deemed uncollectible	(59,216)
Ending balance, December 31, 2021	$ 333,869

G – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following at December 31, 2021 and 2020:

	Estimated Useful Life	2021	2020
Land and improvements	15 to 20 years	$ 364,082	$ 348,482
Buildings and improvements	5 to 30 years	18,140,672	18,118,742
Equipment	5 to 10 years	3,179,409	3,129,849
Vehicles	5 years	445,660	395,397
Works of art	N/A	232,041	232,041
		22,361,864	22,224,511
Less accumulated depreciation		(14,915,432)	(14,301,093)
Land, buildings and equipment, net		$ 7,446,432	$ 7,923,418
Depreciation expense		$ 614,338	$ 616,892

H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted by the donors as to purpose or time and consist of the following at December 31, 2021 and 2020:

	2021	2020
Subject to purpose restrictions:		
Bridge to Future capital campaign	$ 42,048	$ 137,475
Walter B. Hall Memorial Education Fund	262,184	228,009
Reynolds Restricted Maintenance fund	1,253,968	1,442,700
Summer school program	307,458	230,833
Other	87,281	89,982
	1,952,939	2,128,999
Subject to time restrictions:		
Gift of Hope campaign	333,869	523,920
Reynolds Programs Fund	400,000	450,000
Beneficial interest in trusts	5,008,913	4,747,026
	5,742,782	5,720,946
Not subject to appropration or expenditure:		
Permanent endowment	4,535,199	4,535,199
Total net assets with donor restrictions	$ 12,230,920	$ 12,385,144

Beneficial interest in trusts

The assets of the second and third trust disclosed in Note C are restricted based upon on a time restriction, as the assets will not be distributed to the Home until the respective trust terminates.

Reynolds Restricted Maintenance Fund

In 2001, the Home received a grant from the Donald W. Reynolds Foundation (the Reynolds Foundation) of approximately $11,600,000 for the construction of new facilities. Within three years of the project dedication date of 2005, the Home was responsible for raising and collecting 20% of the original grant amount, or $2,321,780 for a restricted maintenance fund for the capital maintenance needs and repairs of the new facilities.

The Home attained these funds in 2008. Under the grant agreement, the earnings on the restricted maintenance fund are restricted solely for the purposes of maintenance and upkeep of the buildings in order to keep the buildings in sound structural condition. Earnings on the restricted maintenance fund include interest and dividend income as well as capital gains so long as the capital gains have been designated as fund earnings by the Board of Directors. As of December 31, 2021 and 2020, the fund included earnings and losses of $166,553 and $201,477, respectively. Actual earnings may be used for remodeling the existing structure or for repairs and maintenance of heating and air-conditioning equipment, repairs or modifications of the electrical service or repairs and modification of the plumbing system, including water and sewer. Up to 20% of the annual earnings may be used for the purpose of purchasing furnishings and equipment to replace worn out or obsolete furnishings and equipment. No part of the restricted maintenance fund corpus or earnings thereon shall be used or expended for ordinary custodial care of the facility. Beginning in 2015, the Home may spend up to 5% annually of the corpus for the same purposes allowed for earnings on the fund.

According to the terms of the grant, if there is a deficiency and it remains for 24 consecutive months or longer, the Home must replace the difference from its other assets.

H – NET ASSETS WITH DONOR RESTRICTIONS - continued

Bridge to Future Capital Campaign

This campaign provides for renovation and expansion of the Tulsa Boys' Home campus.

Gift of Hope Campaign

This campaign provides for general operations of the Home and is restricted due to the timing of collections on pledges made under the campaign.

Reynolds Programs Fund

In 2010, the Home received a $1,000,000 grant from the Reynolds Foundation for the establishment of the Restricted Fund for Programs. Under the terms of the grant, amounts available for the Home on an annual basis consist of the fund's earnings, dividends, and capital gains plus $50,000.

Walter B. Hall Memorial Educational Fund

The net income and principal of the Walter B. Hall Memorial Educational Fund are restricted to be used exclusively for the further education and training of boys who have lived at the Home to continue their education in a college or trade school.

Other

Other restricted net assets relate to contributions with purpose restrictions that have not been fulfilled by year end.

I – ASSETS HELD FOR SALE

In 2018, the Home purchased real estate from a related party under a charity bargain sale. The Home purchased the property at a discount from the appraised value, with the remaining value recognized as a contribution. The carrying value of the property was the estimated fair market value determined by an independent appraisal company and is the expected net realizable value. In July 2021, the sale of the property was closed. As a result of this sale, the Organization received proceeds in the amount of $890,416 and recognized a loss on the sale of $209,584.

J – RISKS, CONCENTRATIONS, AND UNCERTAINTIES

The Home maintains cash balances at a financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. The Home has not experienced any loss in such accounts. As of December 31, 2021, the uninsured balance is approximately $2,120,000. The Home believes it is not exposed to any significant credit risk on its cash balances.

The Home utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the combined statement of financial position. Significant fluctuations in fair values could occur from year to year and the amounts the Home will ultimately realize could differ materially.

In the normal course of operations, the Home receives a substantial amount of its support from various governmental agencies. If a significant reduction in the level of this support were to occur, it would have a significant effect on the Home's programs and activities.

J – RISKS, CONCENTRATIONS, AND UNCERTAINTIES – continued

From time to time the Home is involved in litigation arising in the ordinary course of business. While the ultimate outcome of any current or future litigation is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Home.

On January 30, 2020 the World Health Organization declared a public health emergency related to an outbreak of the COVID-19 virus. During 2021 and 2020, the Home was forced to navigate a number of staffing disruptions due to quarantine requirements amongst its employees, a significant decrease in the number of volunteers utilized, and was required to convert special events to a virtual format.

As a result of the spread of COVID-19, rising inflation, and international military conflicts, economic uncertainties have arisen which may negatively impact the financial position, results of operations, and cash flows of the Home. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. The financial statements do not include any adjustments that might result from these uncertainties.

K – PAYCHECK PROTECTION PROGRAM

On March 20, 2020, in response to COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. In April 2020, the Home received loan proceeds in the amount of $798,800 under the Small Business Administration's Paycheck Protection Program (PPP), which was established as part of the CARES Act. The PPP provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of a qualifying business. The loan, which was in the form of a loan with a bank, was set to mature in April 2022, and bore interest at a rate of 1% per annum. If the Home used the proceeds of the loan for eligible payroll, benefits, and other costs, the Home could apply to have the loan forgiven. During 2020, the Home met the terms and conditions to apply for forgiveness and, accordingly, recognized the proceeds as contribution revenue in 2020. In March 2021, the Home received official notification that the loan and all accrued interest was forgiven.

L – UPCOMING ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02*, Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance lessees are required to recognize lease assets and lease liabilities on the combined statements of financial position of all leases with terms longer than twelve months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the combined statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Home will be evaluating the impact this standard will have on its combined financial statements and related disclosures.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure regarding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in the entity's programs and other activities. The ASU should be applied on a retrospective basis and is effective for fiscal years beginning after June 15, 2021. The Home will be evaluating the impact this standard will have on its combined financial statements and related disclosures.

M - LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below reflects the Home's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available for general use due to contribution or donor imposed restrictions within one year of the combined financial statement date. Non-current portions of pledges receivable, beneficial interests in trusts and investments have been included in the calculation of financial assets as those amounts are subject to donor-imposed restrictions. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

	2021	2020
Financial assets, at year-end		
Cash and cash equivalents	$ 2,372,891	$ 1,909,272
Accounts receivable, total	550,223	592,711
Pledges receivable, total	333,869	455,770
Beneficial interest in trusts, total	5,251,531	5,036,132
Investments, total	15,465,907	13,597,576
Total financial assets	23,974,421	21,591,461
Less those unavailable for general expenditure within one year, due to:		
Accounts receivable due in more than one year	(29,899)	(33,840)
Contractual or donor imposed restrictions:		
Restricted by donor with time or purpose restrictions	(7,695,721)	(7,849,945)
Not subject to appropriation or expenditure	(4,535,199)	(4,535,199)
Board designations:		
Quasi-endowment fund, primarily for long term investing	(7,713,471)	(6,141,789)
Amounts previously approved for payment:		
Accounts payable	(226,319)	(174,682)
Financial assets available to meet cash needs for general expenditure within one year:	$ 3,773,812	$ 2,856,006

The Home structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SUPPLEMENTAL INFORMATION

TULSA BOYS' HOME, INC.
SCHEDULE OF REVENUES AND EXPENDITURES BY FUNDING SOURCE
YEAR ENDED DECEMBER 31, 2021

	Specialized Community-Based Residential Care	School Lunch Program	Equine Program	Substance Abuse Treatment Services	Total
Contract revenues	$ 3,029,072	$ 123,995	$ 139,752	$ 1,393,785	$ 4,686,604
Expenditures					
Salaries and wages	1,639,269	27,585	77,579	789,300	2,533,733
Other employee benefits	329,354	18,991	17,649	153,812	519,806
Payroll taxes	124,111	7,229	6,709	58,548	196,597
Fees for other services	80,415	1,236	1,607	47,936	131,194
Advertising and promotion	13,501	-	-	-	13,501
Office	14,002	787	1,059	6,582	22,430
Occupancy	408,429	2,616	5,860	164,317	581,222
Travel	8,587	207	3,797	2,364	14,955
Conferences, conventions, meetings	13,998	830	821	8,994	24,643
Insurance	95,309	9	1,167	52,452	148,937
Postage and printing	7,854	324	301	5,269	13,748
Supplies	236,757	63,199	23,061	91,225	414,242
Miscellaneous	19,858	982	142	2,780	23,762
Boys' medical and personal expenses	21,909	-	-	4,237	26,146
Youth ministry and activities	15,719	-	-	5,969	21,688
Total expenditures	3,029,072	123,995	139,752	1,393,785	4,686,604
Excess of revenues over expenditures	$ -	$ -	$ -	$ -	$ -

1. This schedule is included herein pursuant to the contract with the State of Oklahoma Department of Human Services (OKDHS) and Mental Health & Substance Abuse Services requiring the presentation of a supplementary schedule of revenue and expenditures by funding source of the Home. The specialized community-based residential care program is a vendor service and not subject to OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards testing requirements.

2. The Home's accounting records are not designed to accumulate expenditures on an individual contract basis. The Home's annual expenditures for all of its programs exceed amounts received under government awards. Expenditures equaling government revenues are allocated within each program based on a ratio of actual line item expenses to actual total allowable expenses incurred by the Home.

TULSA BOYS' HOME, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	Tulsa Boys' Home, Inc.	Eagle Lodge, LLC	Bear Lodge, LLC	Wolf Lodge, LLC	Falcon Lodge, LLC	Eliminations	Total
ASSETS							
Cash and cash equivalents	$ 2,364,388	$ 2,501	$ 2,000	$ 1,501	$ 2,501	$ -	$ 2,372,891
Accounts receivable, net	565,793	65,890	65,891	65,945	65,891	(279,187)	550,223
Pledges receivable, net	333,869	-	-	-	-	-	333,869
Beneficial interest in trusts	5,251,531	-	-	-	-	-	5,251,531
Prepaid expenses	64,262	-	-	-	-	-	64,262
Other assets	6,348	-	-	-	-	-	6,348
Investments	15,465,907	-	-	-	-	-	15,465,907
Land, buildings and equipment, net of depreciation	7,446,432	-	-	-	-	-	7,446,432
Oil and gas properties, net of depletion	100	-	-	-	-	-	100
TOTAL ASSETS	**$ 31,498,630**	**$ 68,391**	**$ 67,891**	**$ 67,446**	**$ 68,392**	**$ (279,187)**	**$ 31,491,563**
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts payable and accrued liabilities	$ 477,269	$ 70,172	$ 69,675	$ 69,224	$ 70,172	$ (279,187)	$ 477,325
Deferred income	12,137	-	-	-	-	-	12,137
Total liabilities	489,406	70,172	69,675	69,224	70,172	(279,187)	489,462
NET ASSETS							
Without donor restrictions							
Undesignated	11,064,833	(1,781)	(1,784)	(1,778)	(1,780)	-	11,057,710
Board designated quasi-endowment	7,713,471	-	-	-	-	-	7,713,471
Total without donor restrictions	18,778,304	(1,781)	(1,784)	(1,778)	(1,780)	-	18,771,181
With donor restrictions	12,230,920	-	-	-	-	-	12,230,920
Total net assets	31,009,224	(1,781)	(1,784)	(1,778)	(1,780)	-	31,002,101
TOTAL LIABILITIES AND NET ASSETS	**$ 31,498,630**	**$ 68,391**	**$ 67,891**	**$ 67,446**	**$ 68,392**	**$ (279,187)**	**$ 31,491,563**

TULSA BOYS' HOME, INC.
COMBINING STATEMENT OF ACTIVITIES
DECEMBER 31, 2021

	Tulsa Boys' Home, Inc.	Eagle Lodge, LLC	Bear Lodge, LLC	Wolf Lodge, LLC	Falcon Lodge, LLC	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS							
REVENUES, GAINS, AND OTHER SUPPORT							
Program service fees from governmental agencies	$ 1,657,532	$ 757,768	$ 757,268	$ 756,018	$ 758,018	$ -	$ 4,686,604
Contributions	959,269	-	-	-	-	-	959,269
Legacies and bequests	259,886	-	-	-	-	-	259,886
Special events	480,950	-	-	-	-	-	480,950
Oil property income, net	104,354	-	-	-	-	-	104,354
Program service fees	3,035,023	-	-	-	-	(3,029,072)	5,951
Investment return, net	1,161,609	-	-	-	-	-	1,161,609
Loss on sale of assets	(209,584)	-	-	-	-	-	(209,584)
Other	56,267	14	8	17	15	-	56,321
Revenues, gains, and other support	7,505,306	757,782	757,276	756,035	758,033	(3,029,072)	7,505,360
NET ASSETS RELEASED FROM RESTRICTION	1,405,190	-	-	-	-	-	1,405,190
Total revenues, gains, and other support	8,910,496	757,782	757,276	756,035	758,033	(3,029,072)	8,910,550
EXPENSES							
Program services	5,483,310	757,768	757,268	756,018	758,018	(3,029,072)	5,483,310
Management and general	2,051,737	-	-	-	-	-	2,051,737
Fundraising	423,778	-	-	-	-	-	423,778
Total expenses	7,958,825	757,768	757,268	756,018	758,018	(3,029,072)	7,958,825
Increase in net assets without donor restrictions	951,671	14	8	17	15	-	951,725
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS							
Investment return, net	602,189	-	-	-	-	-	602,189
Appreciation in beneficial interest in trusts	469,779	-	-	-	-	-	469,779
Contributions	178,998	-	-	-	-	-	178,998
Net assets released from restriction	(1,405,190)	-	-	-	-	-	(1,405,190)
Decrease in net assets with donor restrictions	(154,224)	-	-	-	-	-	(154,224)
INCREASE IN NET ASSETS	797,447	14	8	17	15	-	797,501
NET ASSETS, BEGINNING OF YEAR	30,211,777	(1,795)	(1,792)	(1,795)	(1,795)	-	30,204,600
NET ASSETS, END OF YEAR	**$ 31,009,224**	**$ (1,781)**	**$ (1,784)**	**$ (1,778)**	**$ (1,780)**	**$ -**	**$ 31,002,101**

OTHER REPORT

CONKLIN · GILPIN · WERTZ PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Neil D. Gilpin, CPA
Shaun B. Wertz, CPA
Taylor D. Gilpin, CPA
Seth P. Carr, CPA
D. Brent Allison, CPA

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
Tulsa Boys' Home, Inc.

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, the combined financial statements of Tulsa Boys' Home, Inc. (a nonprofit organization) (the Home), which comprise the combined statements of financial position as of December 31, 2021, and the related combined statement of activities, cash flows, and functional expenses for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated September 14, 2022.

Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Home's combined 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 combined 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*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Conklin, Gilpin & Wertz, P.L.L.C.

CONKLIN, GILPIN, & WERTZ, P.L.L.C.
Certified Public Accountants

September 14, 2022
Tulsa, Oklahoma