

**Financial Statements
and Auditor's Report**

Oklahoma Outreach Foundation

December 31, 2008

Oklahoma Outreach Foundation
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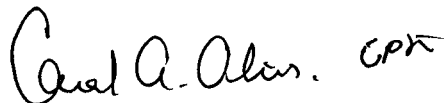
Independent Auditor's Report

Board of Directors
Oklahoma Outreach Foundation

I have audited the accompanying statement of financial position of the Oklahoma Outreach Foundation (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Outreach Foundation as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Carol A. Oliver, CPA

October 29, 2009

Oklahoma Outreach Foundation
Statement of Financial Position
December 31, 2008

ASSETS

Current Assets:	
Cash in bank	\$ 143,233
Prepaid payroll	4,084
Total Current Assets	<u>147,317</u>
Property and Equipment:	
Building improvements	12,073
Furniture and fixtures	4,183
	<u>16,256</u>
Accumulated depreciation	<u>(3,110)</u>
Net Property and Equipment	<u>13,146</u>
 Total Assets	 <u><u>\$ 160,463</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 1,896
Total Current Liabilities	<u>1,896</u>
 Net assets - unrestricted	 <u>158,567</u>
 Total liabilities and net assets	 <u><u>\$ 160,463</u></u>

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

Oklahoma Outreach Foundation
Statement of Activities
For the Year Ended December 31, 2008

Revenues and Support	
Contributions and grants	\$ 121,909
Special events	138,142
Tuition	25,470
Interest income	<u>2,076</u>
Total Revenues and Support	<u>287,597</u>
Expenses	
Program services - Sober School	125,288
Program services - Other	116,800
Administrative	<u>73,238</u>
Total expenditures	<u>315,326</u>
Increase (decrease) in net assets	(27,729)
Net assets - unrestricted	
Beginning of year	<u>186,296</u>
End of year	<u><u>158,567</u></u>

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

Oklahoma Outreach Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2008

	Program Services			Administrative	Total (Memo Only)
	Sober School	Programs-Other	Total Program Services		
Alarm	245	-	245	-	245
Bank charges	-	-	-	543	543
Conferences and seminars	450	-	450	60	510
Contract services	70,767	-	70,767	15,700	86,467
Curriculum	6,961	-	6,961	-	6,961
Depreciation	2,156	-	2,156	-	2,156
Drug tests	490	-	490	-	490
Dues and memberships	250	-	250	100	350
Insurance	1,193	-	1,193	1,100	2,293
Miscellaneous expense	26	-	26	-	26
Office supplies and expense	1,005	-	1,005	34	1,039
Postage	19	-	19	606	625
Printing and reproduction	-	-	-	1,947	1,947
Professional fees	-	-	-	5,334	5,334
Rent	27,965	-	27,965	-	27,965
Repairs and maintenance	1,112	-	1,112	-	1,112
Scholarships	6,000	116,800	122,800	-	122,800
Special events	-	-	-	43,404	43,404
Supplies	861	-	861	-	861
Telephone and internet	1,379	-	1,379	-	1,379
Utilities	4,193	-	4,193	-	4,193
Website maintenance	216	-	216	4,410	4,626
Total expenditures	125,288	116,800	242,088	73,238	315,326

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

Oklahoma Outreach Foundation
Statement of Cash Flows
For the Year Ended December 31, 2008

Cash Flows from Operating Activities:	
Cash received from contributors, grantors, students, etc.	\$ 247,806
Cash paid to suppliers and management companies	(281,393)
Interest received	2,076
Net cash provided by (used for) operating activities	<u>(31,511)</u>
Cash Flows from Financing Activities:	
Cash paid for purchase of property and equipment	<u>(163)</u>
Net cash provided by (used for) financing activities	(163)
Net increase (decrease) in cash and cash equivalents	(31,674)
Cash - beginning of year	<u>174,907</u>
Cash - end of year	<u><u>\$ 143,233</u></u>
Schedule Reconciling Increase (Decrease) in Net Assets to Net Cash Provided by (Used For) Operating Activities	
Increase (decrease) in net assets	(27,729)
Adjustments to reconcile excess revenue to net cash provided by (used for) operating activities:	
Depreciation	2,156
(Increase) decrease in prepaid expenses	(4,084)
(Increase) decrease in donated assets	(3,750)
Increase (decrease) in accounts payable	1,896
Total adjustments	<u>(3,782)</u>
Net cash provided by (used for) operating activities	<u><u>(31,511)</u></u>

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

Oklahoma Outreach Foundation
Notes to Financial Statements
December 31, 2008

Note 1 – Nature of Operations

Oklahoma Outreach Foundation was formed in 2000 to support treatment and recovery for teens experiencing chemical dependency on alcohol and other drugs. The Foundation provides scholarships for inpatient and outpatient programs to families who cannot otherwise afford treatment.

In 2006 the Foundation opened the Oklahoma Outreach Sober School as a continuum of care for teens who have attended treatment for addictions and who have a true desire to actively commit to a sober lifestyle. The school has a capacity of up to 15 students.

Note 2 – Significant Accounting Policies

The financial statements have been prepared using the accrual method of accounting. This method records revenues and related assets when earned, and records expenses and related liabilities when the obligations are incurred.

The preparation of a financial statement 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 date of the financial statement. Actual results could differ from those estimates.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No.117, the Foundation is required to report information regarding three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2008, the Foundation had only unrestricted net assets.

Note 3 – Income Taxes

The Foundation is a non-profit entity and is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Note 4 – Cash and Cash Equivalents

Cash and Cash Equivalents include checking accounts and all liquid investments with an original maturity of three months or less.

Oklahoma Outreach Foundation
Notes to Financial Statements
December 31, 2008

Note 5 – Property and Equipment

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Furniture and equipment are depreciated over five to ten years. Purchased assets are stated at cost. Donated assets are stated at their estimated fair market value at the date received. The Foundation capitalizes assets purchased and donated with an estimated life of greater than one year and cost or fair market value in excess of \$1,000.

Note 6 – Restricted Contributions

During the year, the Foundation receives contributions to be paid for scholarships. These amounts are expensed in the same year as the contribution received. The contributions are recorded as unrestricted and amounts are recorded as scholarship expense on the statement of activities. This is in accordance with generally accepted accounting principles.

Note 7 – Related Party Transactions

The Foundation awards scholarships for inpatient and outpatient programs for families who cannot otherwise afford treatment for their adolescent. Oklahoma Outreach, Inc. provides outpatient treatment. A board member from the Foundation has ownership interest in Oklahoma Outreach, Inc. During 2008, the Foundation paid \$12,600 in scholarships for outpatient treatment to Oklahoma Outreach, Inc. As of December 31, 2008 there were no amounts owed to Oklahoma Outreach, Inc. This board member abstains from any discussion or votes regarding Oklahoma Outreach, Inc. funds for use in this facility. Services for Oklahoma Outreach Foundation, Inc. scholarships are provided at a 50% discounted rate.

Four Winds Ranch provides inpatient treatment care for adolescent females. A board member from the Foundation has ownership interest in Four Winds Ranch. During 2008, the Foundation paid \$73,500 in scholarships for inpatient treatment to Four Winds Ranch. As of December 31, 2008 there were not amounts owed to Four Winds Ranch. This board member abstains from any discussion or votes regarding Oklahoma Outreach, Inc. funds for use in this facility. Services for Oklahoma Outreach Foundation, Inc. scholarships are provided at a 50% discounted rate.

Hazel Street Recovery Center provides inpatient treatment care for adolescent males. A board member from the Foundation has ownership interest in Hazel Street Recovery Center. During 2008, the Foundation paid \$4,000 in scholarships for inpatient treatment to Hazel Street Recovery Center. As of December 31, 2008 there were not amounts owed to Hazel Street Recovery Center. This board member abstains from any discussion or votes regarding Oklahoma Outreach, Inc. funds for use in this facility. Services for Oklahoma Outreach Foundation, Inc. scholarships are provided at a 50% discounted rate.

Hazelnut House provides extended care for adolescents. A board member from the Foundation has ownership interest in Hazelnut House. During 2008, the Foundation paid \$4,000 in scholarships for extended care treatment to Hazelnut House. As of December 31, 2008 there were not amounts owed to Hazelnut House. This board member abstains from any discussion or votes regarding Oklahoma Outreach, Inc. funds for use in this facility. Services for Oklahoma Outreach Foundation, Inc. scholarships are provided at a 50% discounted rate.

Oklahoma Outreach Foundation
Notes to Financial Statements
December 31, 2008

Note 8 – Contributed Rent

The use of the building for the Sober School is contributed to the Foundation. The estimated rental value is included on the financial statements as contributions income and rent expense. The amount recorded is based on rental value of similar space in the surrounding area.