



OKLAHOMANS FOR EQUALITY, INC.

FINANCIAL STATEMENTS AND
ACCOMPANYING INDEPENDENT
AUDITOR'S REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2023

OKLAHOMANS FOR EQUALITY, INC.
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OKLAHOMANS FOR EQUALITY, INC.
BOARD OF DIRECTORS
SEPTEMBER 30, 2023

Eric Wilson	President
Bob Hanson	Vice-President
Julie Chase	Treasurer
Whitney Cipolla	Secretary
Liz Ortiz	Member
Eddie Carreno	Member
Claire Combs	Member
Kaylyn Compton	Member
Julia Fletcher	Member
Kylie Vanderslice	Member
Crista Patrick	Member
Paula Shannon	Member
Monique Washington	Member
Zoe Brett	Member
Kristy Vann	Member at large



Certified Public Accountants, PLLC

124 S. Main Street, Miami, Oklahoma 74354
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INDEPENDENT AUDITOR'S REPORT

Senior Management and Board of Directors
Oklahomans for Equality, Inc.
Tulsa, Oklahoma

OPINION

We have audited the accompanying financial statements of the Oklahomans for Equality, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oklahomans for Equality, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about of Oklahomans for Equality, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 financial statements.

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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oklahomans for Equality, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oklahomans for Equality, 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.



OBER & LITTLEFIELD
Certified Public Accountants, PLLC
Miami, Oklahoma
December 22, 2023

OKLAHOMANS FOR EQUALITY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023

Assets

Current Assets:

Cash and cash equivalents	\$ 80,446.42
Cash and cash equivalents - restricted	97,766.15
Investments held by others	43,994.38
Promises to give	22,690.07
Inventory	13,004.85
Prepaid insurance	19,590.23
Total Current Assets	<u>277,492.10</u>

Noncurrent Assets:

Furniture and Fixtures	134,098.46
Buildings and Improvements	2,013,376.54
Computers and Software	15,080.30
Less: Accumulated Depreciation	<u>(944,137.42)</u>
Total Noncurrent Assets	<u>1,218,417.88</u>
Total Assets	<u>\$ 1,495,909.98</u>

Liabilities

Current Liabilities:

Accounts payable	\$ 27,000.36
Accrued expenses	32,186.42
Deferred revenue	1,723.75
Payroll tax payable	856.31
Total Liabilities	<u>61,766.84</u>

Net Assets

Net assets without donor restrictions	1,336,376.99
Net assets with donor restrictions	97,766.15
Total Net Assets	<u>1,434,143.14</u>
Total Liabilities and Net Assets	<u>\$ 1,495,909.98</u>

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

OKLAHOMANS FOR EQUALITY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains, and other support			
Support:			
Grants - federal and state	\$ 20,275.00	\$ -	\$ 20,275.00
Grants	284,422.57	25,500.00	309,922.57
Contributions	213,182.27	163,300.41	376,482.68
Membership income	18,891.05	-	18,891.05
Sponsorship	184,589.10	-	184,589.10
Other Income	293,140.47	-	293,140.47
Total Support	1,014,500.46	188,800.41	1,203,300.87
Net assets released from restrictions	191,619.00	(191,619.00)	-
Total support	1,206,119.46	(2,818.59)	1,203,300.87
Revenues and gains/(losses):			
Unrealized gain/(loss) on investment	2,462.20	-	2,462.20
Total revenue and gains/(losses)	2,462.20	-	2,462.20
Total revenues, gains/(losses), and other support	1,208,581.66	(2,818.59)	1,205,763.07
EXPENSES:			
Program Services	792,989.54	-	792,989.54
Support Services: Fundraising	48,454.12	-	48,454.12
Support Services: General and Administrative	345,035.04	-	345,035.04
Total expenses	1,186,478.70	-	1,186,478.70
Increase (decrease) in net assets	22,102.96	(2,818.59)	19,284.37
Net assets, beginning of year	1,314,274.03	100,584.74	1,414,858.77
Net assets, end of year	\$ 1,336,376.99	\$ 97,766.15	\$ 1,434,143.14

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

OKLAHOMANS FOR EQUALITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program	Fundraising	General & Admin	Total
Advertising	\$ 893.20	\$ 2,676.00	\$ 731.00	\$ 4,300.20
Bank Fees	12,184.15	5,373.62	2,333.28	19,891.05
Chapter and Affiliate Expense	59,601.61	-	-	59,601.61
Computer and Software	7,728.71	5,546.20	710.02	13,984.93
Contracted Services	33,892.50	3,813.75	11,419.25	49,125.50
Cost of Goods Sold	34,681.62	-	-	34,681.62
Dues, Fees and Registrations	5,057.37	-	3,906.63	8,964.00
Employee benefits	7,563.47	1,747.68	1,537.53	10,848.68
Event expense	101,344.65	2,668.97	-	104,013.62
Insurance	16,561.48	-	24,184.68	40,746.16
Interest Expense	-	-	70.99	70.99
Lab Services	12,056.75	-	-	12,056.75
Meals	1,995.94	-	2,254.65	4,250.59
Miscellaneous	877.31	-	2,565.07	3,442.38
Office/Postage Expense	1,691.66	-	796.93	2,488.59
Payroll tax expense	15,858.58	1,381.76	9,226.83	26,467.17
Performance Expense	46,093.70	-	-	46,093.70
Printing/Copying Expense	4,210.95	897.89	1,332.13	6,440.97
Professional Services	25,769.75	370.00	81,788.65	107,928.40
Rental Expense	2,800.91	-	-	2,800.91
Repairs and Maintenance	15,261.29	-	12,123.08	27,384.37
Salaries and Wages	209,012.54	18,204.98	121,565.61	348,783.13
Security	61,080.00	-	2,185.85	63,265.85
Staff and Board Development	-	495.00	-	495.00
Supplies	18,979.31	5,278.27	10,023.26	34,280.84
Travel Expense	1,930.50	-	2,291.71	4,222.21
Utilities Expense	31,681.33	-	12,207.52	43,888.85
Total Expenses Before Depreciation	728,809.28	48,454.12	303,254.67	1,080,518.07
Depreciation	64,180.26	-	41,780.37	105,960.63
Total Expenses	\$ 792,989.54	\$ 48,454.12	\$ 345,035.04	\$ 1,186,478.70

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

OKLAHOMANS FOR EQUALITY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Cash flows from operating activities	
Change in net assets	\$ 19,284.37
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	105,960.63
Unrealized gain on investments	(2,444.51)
(Increase)/decrease in operating assets:	
Promises to give	(22,690.07)
Inventory	2,696.63
Prepaid expenses	(19,590.23)
Increase/(decrease) in operating liabilities:	
Accounts payable and accrued expenses	19,053.41
Unearned revenue	1,723.75
Net cash provided/(used) by operating activities	<u>103,993.98</u>
Cash flows from investing activities	
Purchase of property and equipment	<u>(24,021.91)</u>
Net cash provided/(used) by investing activities	<u>(24,021.91)</u>
Net increase/(decrease) in cash	79,972.07
Cash and cash equivalents, beginning of year	98,240.50
Cash and cash equivalents, end of year	<u>\$ 178,212.57</u>
Reconciliation to statement of financial position:	
Cash and cash equivalents	\$ 80,446.42
Restricted cash	<u>97,766.15</u>
	<u>\$ 178,212.57</u>

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

Note 1 – Nature of the Organization

The Oklahomans for Equality, Inc. (the “Organization”), is an Oklahoma nonprofit corporation, incorporated on November 20th, 2006. Oklahomans for Equality, Inc., formerly known as Tulsa Oklahomans for Human Rights (TOHR), have served the Lesbian, Gay, Bisexual, and Transgender (LGBT) community since the organization was founded in 1980. The Oklahomans for Equality, Inc. seeks equal rights for LGBT individuals and families through advocacy, education, programs, alliances, and the operation of the Dennis R. Neill Equality Center.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Accordingly, revenue is recorded when earned, and expenses are recorded when incurred. The financial statements are presented in accordance with authoritative accounting standards for not-for-profit organizations. As such, the standards require contributions to be recognized as revenue when they are received, or unconditionally pledged, and net assets to be classified as net assets with donor restrictions or net assets without donor restrictions, depending on the limitations placed on the contributions when received.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, no provision has been made for federal or state income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation, within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization’s Forms 990, *Organization Exempt from Income Tax*, for the years ending 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in banks, and highly liquid investments, with maturity dates of less than twelve months. The carrying value of cash, and cash equivalents, approximates fair value because of the short maturities of those financial instruments.

Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Organization to concentrations of credit, and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions, and credit risk exposure is limited at any one institution. The Organization has not experienced any losses on its cash equivalents.

Property and Equipment – Property and equipment are recorded at acquisition cost. The Organization capitalizes assets with a cost greater than \$2,500. Betterments and renewals are capitalized. Maintenance and repairs are charged to operations when incurred. Depreciation is computed using the straight-line method, over the following estimated useful lives:

Building and improvements	40 years
Equipment	3-10 years
Vehicles	3 years

Note 2 – Summary of Significant Accounting Policies: (continued)

Classification of Net Assets - Net assets of the Organization shall be classified based upon the existence, or absence, of donor-imposed restrictions, as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may, or will be, satisfied through the actions of the Organization, and/or the passage of time.

Net assets accumulated by the Organization that are not subject to donor-imposed restrictions, but which the Board of Directors of the Organization has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds, within the category of net assets without donor restrictions.

Note 3 – Concentrations of Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Organization’s deposits may not be returned to it. The Organization’s cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. The Organization does not currently have a deposit policy for custodial credit risk.

	Category			Carrying Amount	Bank Balance
	A	B	C		
Demand deposits	\$ 178,212.57	\$ -	\$ -	\$ 178,212.57	\$ 176,816.18
Total	\$ 178,212.57	\$ -	\$ -	\$ 178,212.57	\$ 176,816.18

Category 1 – Cash and cash equivalents that are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Organization, or its agent, in the Organization’s name.

Category 2 – Collateralized with securities held by the pledging financial institution’s trust department, or agent, in the Organization’s name.

Category 3 – Uninsured or unregistered investments for which securities are held by the pledging financial institution’s trust department, or agent, but not in the Organization’s name.

The Organization maintains investment accounts with the Tulsa Community Foundation. The balances are insured by the Securities Investor Protection Corporation (SIPC), up to \$500,000. Cash coverage is limited at \$250,000. The Organization as not exceeded these insurance amounts. Management believes the funds are not exposed to any significant risk due to the diversity of high-grade financial instruments held by the fund and management’s routine assessment of the portfolio. As of September 30, 2023, none of the Organization’s deposits were exposed to credit risk.

Note 4 – Promises to Give

Promises to give are majorly comprised of contributions made to third parties on behalf of the Organization prior to yearend. These funds were received by the Organization after September 30, 2023.

Note 5 – Restricted Cash

As of September 30, 2023, the Organization had restricted cash in the amount of \$97,766.15. Restricted as follows:

<u>Restricted Purpose</u>	<u>Amount</u>
Chapter and Affiliates	\$ 66,326.83
Center link technology	9,500.00
Counseling Services	5,000.00
Senior Support Services	1,240.00
2024 Gala	11,500.00
Various >\$2K	4,199.32
Total	<u>\$ 97,766.15</u>

Note 6 – Investments Held by Others

Investments held by others, as of September 30, 2023, consist of two investment funds held by Tulsa Community Foundation (TCF): The OkEq Operating Endowment Fund and the OkEq Capital Campaign Fund. These funds are invested in pooled funds, cash, and equivalents. The investments are carried on the Organization’s books at fair market value. These funds are component funds of Tulsa Community Foundation (TCF). As defined by the United States Treasury Regulations, TCF has the right to modify the terms of the fund agreement. This is sometimes referred to as “variance power”. As a result of the variance power all component funds are considered to be part of a single public charity, TCF. TCF is the legal owner of all assets contributed to any of its component funds.

Financial Accounting Standards Board requires that if TCF accepts contributions from the Organization and agrees to transfer those assets and the return on investment of those assets back to the Organization, then these contributions are to be reported on the financial statements of the Organization.

The OkEq Operating Endowment Fund -This fund was established as Oklahomans for Equality Fund, a TCF Agency Fund, in April 2001. It transitioned to the OkEq Operating Endowment Fund on 12/30/2010. Current fund advisors are Board President, Vice President, and Treasurer. With 2/3 of the Advisors, TCF can accept annual distribution requests and make changes to the fund including the investment strategy. The portion allocated to the Organization, and reported as investments held by others, is \$14,139.04. The portion of funds contributed to TCF by unrelated third-party donors and not reported as investments held by others on the Organizations books is \$13,162.36.

The OkEq Capital Campaign Fund - This fund was originally established by Tulsa Oklahomans for Human, Rights, Inc. as the Pyramid Project Capital Campaign Reserve Fund, a TCF agency reserve fund, in April 2002. It was renamed to the OkEq Capital Campaign Fund in TCF records. It is an agency reserve fund, and the funds are available to purchase , furnish, maintain, or make improvements to a building to house the Tulsa gay, lesbian, bisexual and transgender Community Center owned by Tulsa Oklahomans for Human Rights. Current fund advisors are Board President, Vice President, and Treasurer. With 2/3 of the Advisors, TCF can accept annual distribution requests and make changes to the fund including the investment strategy. The portion allocated to the Organization and reported as investments held by others \$29,855.34. The portion of funds contributed to TCF by unrelated third-party donors and not reported as investments held by others on the Organizations books is \$106,157.22.

Note 6 – Investments Held by Others (continued)

As of September 30, 2023, the balances are insured by the Securities Investor Protection Corporation (SIPC), up to \$500,000. Cash coverage is limited at \$250,000. At times, the Organization's deposits may exceed insured amounts. Management believes the funds are not exposed to any significant risk due to the diversity of high-grade financial instruments held by the fund, and management's routine assessment of the portfolio.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Note 7 – Fair Value Measurements

The Organization reports fair value measurements of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs, and minimize the use of unobservable inputs, when measuring fair value. The assets or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of input used to measure fair value are as follows:

Level 1. Quoted prices are for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2. Inputs other than quoted prices included in level 1 that are observable for the assets or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation, or by other means.

Level 3. Unobservable inputs for the assets or liabilities. Unobservable inputs should be used to measure the fair value if observable inputs are not available. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional promise to give and in-kind contributions).

The primary uses of fair value measurements in the Organization's financial statements are the initial measurement of noncash gifts, gifts of investment assets, if any, including unconditional promises to give, and recurring measurement of short-term and long-term investments.

Note 8 – Property and Equipment

The following is an analysis of property and equipment, at cost, and related depreciation at September 30, 2023:

	Beginning of Year	Additions	Deletions	End of Year
Furniture and Fixtures	132,750.97	24,021.91	(22,674.42)	134,098.46
Building and Improvements	2,019,249.99	-	(5,873.45)	2,013,376.54
Computers and Software	66,342.85	-	(51,262.55)	15,080.30
Total Capital Assets	2,218,343.81	24,021.91	(79,810.42)	2,162,555.30
Less: Accumulated Depreciation	(917,987.21)	(105,960.63)	79,810.42	(944,137.42)
Net Book Value	<u>\$ 1,300,356.60</u>	<u>\$ (81,938.72)</u>	<u>\$ -</u>	<u>\$ 1,218,417.88</u>

Note 9 – Deferred Revenue

Deferred revenue represents payments received for events occurring subsequent to year end.

Note 10 – Note Payable

The Organization had no notes payable as of September 30, 2023.

Note 11 – Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers, who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for the recognition, under authoritative accounting standards, have not been satisfied.

Note 12 – Functional Allocation of Expenses

The costs of providing the various programs, and supporting services, have been summarized on a functional basis, in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based on the relative time spent by the employees providing these services.

Note 13 – Commitments and Contingencies

As of the date of this report, the Organization had not commitments or contingencies other than those reported on the statement of financial position.

Note 14 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2023, are:

Cash and cash equivalents	\$ 178,212.57
Investments	43,994.38
Promises to give	22,690.07
Total financial assets, at year end	244,897.02
Less those unavailable for general expenditures within on year, due to:	
Contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	97,766.15
Financial assets available to meet cash needs for general expenditures within one year	\$ 147,130.87

Note 15 – Net Assets with Donor Restrictions

The Organization has \$97,766.15 net assets with donor restrictions at September 30, 2023.

<u>Restricted Purpose</u>	<u>Amount</u>
Chapter and Affiliates	\$ 66,326.83
Center link technology	9,500.00
Counseling Services	5,000.00
Senior Support Services	1,240.00
2024 Gala	11,500.00
Various >\$2K	4,199.32
Total	\$ 97,766.15

Note 16 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through December 22, 2023, the date which the financial statements were available to be issued, and no additional disclosures are required.