

**Street School, Inc.**

***Financial Statements With  
Independent Auditor's Report***

**For the Years Ended  
June 30, 2021 and 2020**

**Street School, Inc.**  
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## Independent Auditor's Report

To the Board of Directors  
Street School, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Street School, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

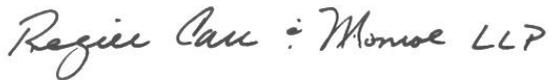
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Street School, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of State Awards and the Schedule of Revenues and Expenses Office of Juvenile Affairs Community Based Youth Services on pages 19-20 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of Street School, Inc.'s internal control over financial reporting and 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 the 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 Street School, Inc.'s internal control over financial reporting and compliance.



December 14, 2021  
Tulsa, Oklahoma

**Street School, Inc.**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$768,753	\$555,111
Pledges Receivable, net	98,260	153,498
Other Receivables	267,801	290,055
Inventory	590	698
Prepaid Expenses	13,414	14,320
Investments	301,449	225,856
Beneficial Interest in Assets Held by Others	929,838	728,861
Property and Equipment, net	49,473	78,582
<b>Total Assets</b>	<b>\$2,429,578</b>	<b>\$2,046,981</b>
<b>Liabilities and Net Assets</b>		
<i>Liabilities</i>		
Accounts Payable & Accrued Liabilities	\$9,795	\$975
PPP Note Payable		10,000
Unrecognized conditional contributions (PPP)		50,700
<i>Total Liabilities</i>	<u>9,795</u>	<u>61,675</u>
<i>Net Assets</i>		
Net assets without donor restrictions	1,863,052	1,315,477
Net assets with donor restrictions	556,731	669,829
<i>Total Net Assets</i>	<u>2,419,783</u>	<u>1,985,306</u>
<b>Total Liabilities and Net Assets</b>	<b>\$2,429,578</b>	<b>\$2,046,981</b>

**Street School, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Support and Revenues</b>			
State Grants	\$413,163		\$413,163
Contributions	427,820	70,900	498,720
Tulsa Area United Way Contributions		440,007	440,007
In-kind Contributions - Tulsa Public Schools	1,010,670		1,010,670
In-kind Contributions - Other	7,887		7,887
Conditional Contribution (PPP)	426,250		426,250
Investment Income (Loss)	221,236	55,464	276,700
Net Assets Released from Restrictions	679,469	(679,469)	
	<b>3,186,495</b>	<b>(113,098)</b>	<b>3,073,397</b>
<i>Fundraising Events, net</i>			
Proceeds	404,155		404,155
Less Direct Costs	(104,663)		(104,663)
<i>Total Fundraising Events, net</i>	299,492		299,492
<b>Total Support and Revenues</b>	<b>3,485,987</b>	<b>(113,098)</b>	<b>3,372,889</b>
<b>Expenses</b>			
Program	2,502,868		2,502,868
Management and Administrative	286,302		286,302
Fundraising	149,242		149,242
<b>Total Expenses</b>	<b>2,938,412</b>		<b>2,938,412</b>
<i>Change in Net Assets</i>	<b>547,575</b>	<b>(113,098)</b>	<b>434,477</b>
<b>Net Assets at Beginning of Year</b>	1,315,477	669,829	1,985,306
<b>Net Assets at End of Year</b>	<b>\$1,863,052</b>	<b>\$556,731</b>	<b>\$2,419,783</b>

**Street School, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Support and Revenues</b>			
State Grants	\$493,163		\$493,163
Contributions	319,658	219,070	538,728
Tulsa Area United Way Contributions		440,007	440,007
In-kind Contributions - Tulsa Public Schools	891,526		891,526
In-kind Contributions - Other	10,434		10,434
Conditional Contribution (PPP)	263,700		263,700
EIDL Grant	10,000		10,000
Investment Income (Loss)	37,277	6,276	43,553
Net Assets Released from Restrictions	578,683	(578,683)	
	<b>2,604,441</b>	<b>86,670</b>	<b>2,691,111</b>
<i>Fundraising Events, net</i>			
Proceeds	404,745		404,745
Less Direct Costs	(98,208)		(98,208)
<i>Total Fundraising Events, net</i>	<u>306,537</u>		<u>306,537</u>
<b>Total Support and Revenues</b>	<b>2,910,978</b>	<b>86,670</b>	<b>2,997,648</b>
<b>Expenses</b>			
Program	2,507,466		2,507,466
Management and Administrative	243,800		243,800
Fundraising	130,271		130,271
<b>Total Expenses</b>	<b>2,881,537</b>		<b>2,881,537</b>
<i>Change in Net Assets</i>	<b>29,441</b>	<b>86,670</b>	<b>116,111</b>
<b>Net Assets at Beginning of Year</b>	1,286,036	583,159	1,869,195
<b>Net Assets at End of Year</b>	<b>\$1,315,477</b>	<b>\$669,829</b>	<b>\$1,985,306</b>

**Street School, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**

	Program			Total Program	Management and Administrative		Total Expenses
	Alternative Education	Social Services	Scholarships		Fundraising	Fundraising	
Salaries and Wages	\$1,044,934	\$620,251	\$0	\$1,665,185	\$88,960	\$102,238	\$1,856,383
Payroll Taxes	43,386	29,214		72,600	16,555	7,791	96,946
Employee Benefits	320,093	105,322		425,415	59,683	28,086	513,184
Occupancy	169,504	92,457		261,961	46,229		308,190
Insurance	2,684	1,789		4,473	29,447	477	34,397
Student Activities and Projects	9,084	6,055		15,139			15,139
Audit and Accounting					35,699		35,699
Dues and Memberships	2,755	4,132		6,887	1,033	689	8,609
Scholarships			7,406	7,406			7,406
Technology	925	925		1,850			1,850
Payroll Processing					2,862		2,862
Academic Supplies	299	200		499			499
Travel	(27)	29		2	13	19	34
Telephone	145	293		438	1,024	1,463	2,925
Printing and Publications	132	198		330	49	33	412
Fees for other services							
General Supplies	844	1,266		2,110	316	211	2,637
Bad Debts						7,653	7,653
Student Assistance	681	454		1,135			1,135
Miscellaneous	4,133	8,562		12,695	648		13,343
Depreciation	16,010	8,733		24,743	3,784	582	29,109
<b>Total Expenses</b>	<b>\$1,615,582</b>	<b>\$879,880</b>	<b>\$7,406</b>	<b>\$2,502,868</b>	<b>\$286,302</b>	<b>\$149,242</b>	<b>\$2,938,412</b>

**Street School, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2020**

	Program			Total Program	Management and Administrative		Total Expenses
	Alternative Education	Social Services	Scholarships		Fundraising		
Salaries and Wages	\$956,856	\$624,980	\$0	\$1,581,836	\$84,400	\$80,222	\$1,746,458
Payroll Taxes	38,361	47,025		85,386	6,350	6,036	97,772
Employee Benefits	286,725	187,087		473,812	25,265	24,014	523,091
Occupancy	170,714	93,117		263,831	46,558		310,389
Insurance	2,201	2,700		4,901	22,161	347	27,409
Student Activities and Projects	9,986	6,658		16,644			16,644
Audit and Accounting					42,921		42,921
Dues and Memberships	5,401	8,100		13,501	2,025	1,350	16,876
Scholarships			5,625	5,625			5,625
Technology	1,714	1,714		3,428			3,428
Payroll Processing					2,428		2,428
Academic Supplies	395	264		659			659
Travel	650	701		1,351	911	17	2,279
Telephone	135	270		405	944	1,349	2,698
Printing and Publications	441	662		1,103	165	110	1,378
Fees for other services						241	241
General Supplies	746	1,120		1,866	280	187	2,333
Bad Debts						15,615	15,615
Student Assistance	1,909	1,273		3,182			3,182
Miscellaneous	5,532	11,138		16,670	4,304		20,974
Depreciation	21,525	11,741		33,266	5,088	783	39,137
<b>Total Expenses</b>	<b>\$1,503,291</b>	<b>\$998,550</b>	<b>\$5,625</b>	<b>\$2,507,466</b>	<b>\$243,800</b>	<b>\$130,271</b>	<b>\$2,881,537</b>

**Street School, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

<b>Cash Flows from Operating Activities</b>	<b>2021</b>	<b>2020</b>
Change in net assets	434,477	\$116,111
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Unrecognized conditional contributions (PPP)	(50,700)	50,700
Depreciation expense	29,109	39,137
Realized/Unrealized (gain) loss on investments	(266,277)	(24,595)
(Increase) decrease in pledges receivable	55,238	(7,116)
(Increase) decrease in other receivable	22,254	(63,944)
(Increase) decrease in inventory	108	1,827
(Increase) decrease in prepaid expenses	906	(244)
Increase (decrease) in accounts payable & accruals	8,820	(10,913)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>233,935</b>	<b>100,963</b>
 <b>Cash Flows from Investing Activities</b>		
Purchase of investments	(84,117)	(94,882)
Proceeds from sale of investments	73,824	75,946
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>(10,293)</b>	<b>(18,936)</b>
 <b>Cash Flows from Financing Activities</b>		
PPP Loan advance	(10,000)	10,000
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>(10,000)</b>	<b>10,000</b>
 <b>Net Change in Cash and Cash Equivalents</b>	<b>213,642</b>	<b>92,027</b>
Cash and Cash Equivalents, Beginning of Year	555,111	463,084
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$768,753</b>	<b>\$555,111</b>

**Street School, Inc.**  
**Notes to Financial Statements**

**Nature of Operations and Summary of Accounting Policies**

*Nature of Operations*

Street School, Inc. ("Street School" or the "Organization") was organized in June 1973, as a not-for-profit organization to provide alternative education, social services, and career development opportunities to adolescents in the Tulsa, Oklahoma school district with special needs.

*Basis of Accounting*

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Basis of Presentation*

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization is required to report information regarding its financial position and activities according to the following two classes of net assets:

**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 Organization'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 Organization 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.

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Gifts of land, buildings and equipment are reported as an increase in net assets without donor restrictions 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 an increase in net assets with donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

*Support and Revenue*

Resources for Street School's operations are provided by grants from state, federal and local government agencies, financial and in-kind contributions, and Tulsa Area United Way (United Way). Some fees from government agencies are restricted to reimbursement of expenses incurred. These fees are recognized as revenue when the reimbursable amounts are determined. Income from grants is reported in the period designated by the grantor.

Support provided by contributions from individuals, corporations and foundations are recognized as revenue when the commitment is received. All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increases those net asset classes. When a donor restriction expires, that is, when the purpose for which the gift was received has been accomplished, donor restricted net assets are reclassified to without donor restriction net assets and are reported in the statement of activities as net assets released from restrictions. Restricted support that is received in the same accounting period in which the restrictions are satisfied is recorded as unrestricted support for reporting purposes.

**Street School, Inc.**  
**Notes to Financial Statements**

**Nature of Operations and Summary of Accounting Policies (continued)**

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Government Contracts and Pledges Receivable*

Street School contracts with agencies of the State of Oklahoma under a variety of contractual arrangements. Amounts received under contracts subject to cost settlement provisions are recorded in income as the related expenses are incurred. Street School also receives an allocation from United Way and records a temporarily restricted receivable for any remaining unpaid commitment. Historically, Street School has not experienced significant uncollectible accounts and has provided no allowance in the current year. Street School typically does not charge interest on receivables.

*Cash and Cash Equivalents*

The Organization considers all unrestricted checking and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Pledges Receivable*

Pledges receivable as of June 30, 2021 and 2020 are unconditional promises to give. Pledges receivable to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. Amortization of discounts is recorded as additional contribution revenue.

The discount rate used in determining the net present value of pledges receivable was 3% at June 30, 2021 and 2020. Management believes all pledges to be collectible; it is reasonably possible that this may change in the near term as additional information regarding collections is obtained.

*Other Receivables*

The Organization's other receivables primarily represent the remaining amount of its United Way award and amount due from granting agencies. Historically, the Organization has not experienced significant uncollectible accounts and has provided no allowance at June 30, 2021 and 2020. In determining whether an allowance is necessary, management reviews receivable balances on a periodic basis taking prior payment history and available financial information into account.

The Organization typically does not charge interest on receivables.

*Inventory*

Inventory is stated at the lower of cost, determined using the first-in, first-out method, or net realizable value.

*Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change of net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

The Organization reports all investments for which a quoted market price is available at fair value based upon information obtained from published sources. Investments in time deposits are recorded at cost plus accrued interest.

**Street School, Inc.**  
**Notes to Financial Statements**

**Nature of Operations and Summary of Accounting Policies (continued)**

*Property and Equipment*

Property and equipment are recorded at cost or, if donated, at the estimated fair market value upon receipt. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis based on the following estimated useful lives:

Educational Equipment	5-7
Building Improvements	5-10
Furniture, Fixtures, and Equipment	3-7
Vehicles	7-10

Additions and improvements that extend the useful lives of the assets are capitalized. Expenditures for repairs and maintenance are expensed as incurred. The Organization follows the practice of capitalizing all expenditures greater than \$500 with an estimated useful life of more than one year.

The Organization records impairment to its property and equipment when it becomes probable that the carrying value of assets will not be fully recovered over the estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by the Organization based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were recorded in 2021 and 2020.

*Income Taxes*

The Organization is organized as an Oklahoma nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3). The Organization is qualified to receive deductible charitable contributions under Section 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization is not classified as a private foundation under Section 509(a) of the Internal Revenue Code. It is the Organization's policy that penalties and interest assessed by income taxing authorities, if any, are included in operating expenses. There were no penalties or interest assessed by taxing authorities during the years ended June 30, 2021 and 2020. The Organization annually evaluates its various tax positions and assesses the likelihood of these positions being upheld by examination with relevant tax authorities.

*Concentrations and Credit Risk*

The Organization maintains several bank accounts at high-quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash exceeds the FDIC limits at times. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

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

**Street School, Inc.**  
**Notes to Financial Statements**

**Nature of Operations and Summary of Accounting Policies (continued)**

*Investments & Fair Value Measurements*

Investment securities are exposed to various risks such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risk in the near term may materially affect the amounts reported in the financial statements.

The codification of accounting principles generally accepted in the United States of America defines fair value, establishes a consistent framework for measuring fair value and establishes a fair value hierarchy based on the availability of inputs used to measure fair value. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities)
- Level 3 – significant unobservable inputs (including the Organization’s own assumptions in determining the value of the investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

*Functional Allocation of Expenses*

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and support services provided based upon management’s experience and other factors.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Employee Benefits & Payroll Taxes	Time and effort
Occupancy	Square footage per function
Equipment & Building Maint	Square footage per function
Depreciation	Square footage per function
Travel & Staff Development	Time and effort
Program Supplies & Activities	Employees per function
Miscellaneous	Time and effort

*Recent Accounting Pronouncements*

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this update affect any entity that enters into a lease transaction. The primary change from this guidance is that the lessee should recognize the assets and liabilities that arise from all leases over 12 months in duration. For leases with durations less than 12 months, a lessee is permitted to make a policy election, by class of the underlying asset, not to recognize the related assets and liabilities. If this election is made, the lessees will recognize the lease expense on a straight-line basis over the lease term. ASU No. 2016-02 is effective for the Organizations’ year end June 30, 2023. Earlier application is permitted. The Organization is currently evaluating the effect implementation of this standard will have on its financial statements.

*Subsequent Events*

The Organization has evaluated events subsequent to the statement of financial position date (June 30, 2021) through December 14, 2021, the date the financial statements were available to be issued.

**Street School, Inc.**  
**Notes to Financial Statements**

**Availability and Liquidity**

The Organization maintains a policy of regularly reviewing its financial assets and comparing them against the remaining fiscal year budget. Financial statements are reviewed and approved each month at the Board of Directors Meeting. Current operations can be supported, if necessary, with distributions from the endowment. Annual distributable amounts are set by the Board and can electively be released to Street School upon request. In unusual circumstances of need, Street School can also request a distribution of all or a portion of the fund upon two-thirds vote of the Board of Directors.

	<u>2021</u>	<u>2020</u>
<b>Financial assets at year end</b>		
Cash and Cash Equivalents	\$768,753	\$555,111
Pledges Receivable, net	98,260	153,498
Other Receivables	267,801	290,055
Investments	301,449	225,856
Beneficial Interest in Assets Held by Others	929,838	728,861
<b>Total financial assets</b>	<u>2,366,101</u>	<u>1,953,381</u>
<i>Less amounts not available to be used within one year</i>		
Beneficial interest in assets held by others	(929,838)	(728,861)
Accounts payable and accrued liabilities	(9,795)	(975)
PPP Loan		(10,000)
Net assets with donor restrictions to be spent after one year	<u>(250,845)</u>	<u>(259,545)</u>
	<u>(1,190,478)</u>	<u>(999,381)</u>
<b>Financial assets available to meet general expenditures over the next twelve months</b>	<u><b>\$1,175,623</b></u>	<u><b>\$954,000</b></u>

**Net Assets with Donor Restrictions**

The Organization receives contributions from donors stipulating their donations be utilized for specific expenses. A summary of the assets subject to restrictions at June 30, 2021 and 2020 follows:

	<u>2021</u>	<u>2020</u>
<i>Subject to expenditure for specific program purpose:</i>		
Scholarships	\$4,694	\$11,738
Senior Activities		2,757
Student Pantry	8,171	9,041
Kitchen Renovations	1,698	1,698
Fitness	477	881
Thanksgiving	5,902	5,402
Technical		1,849
World as our Classroom	7,151	8,792
Art	934	1,898
Library	1,625	1,625
Other	1,480	1,948
	<u><b>32,132</b></u>	<u><b>47,629</b></u>
<i>Subject to the passage of time:</i>		
Tulsa Area United Way	220,004	220,004
Contributions		40,000
Pledges Receivable	103,450	161,051
	<u><b>323,454</b></u>	<u><b>421,055</b></u>
<i>Subject to continuous donor imposed restriction:</i>		
Endowment	27,500	27,500
Other	173,645	173,645
	<u><b>201,145</b></u>	<u><b>201,145</b></u>
<b>Total Net Assets with donor restrictions</b>	<u><b>\$556,731</b></u>	<u><b>\$669,829</b></u>

**Street School, Inc.**  
**Notes to Financial Statements**

**Beneficial Interest in Assets Held by Others**

The Organization has established an agency reserve fund with the Tulsa Community Foundation (the Foundation), an Oklahoma not-for-profit corporation and community foundation. The mutual intent of the Organization and the Foundation is to create a permanent endowment fund for the benefit of the Organization. The objective of the investment management and distribution policies is to provide for sufficient fund growth after distribution and investment expense in order to preserve the inflation-adjusted value of the investment portfolio. The Foundation holds and administers the endowment fund (including subsequent contributions and future earnings) for the benefit of the Organization.

The Agency Fund Agreement provides that the Board of Trustees of the Foundation shall have the power to modify any restriction or condition on distributions from the Fund for any specific charitable purposes or to specific organizations, if in the sole judgment of the Board of Trustees the restriction or condition becomes, in effect, necessary, incapable of fulfillment or inconsistent with the charitable needs served by the Foundation. The Foundation may grant the request if it concludes, upon independent review, that such distribution is neither unreasonable nor inconsistent with the charitable purposes of the Foundation and the Organization; however, the Foundation shall have the ultimate authority over and control of all property in the Fund and all distributions from the Fund.

As the Foundation has agreed to transfer the assets and the return of these assets back to the Organization, the investments are required to be treated as an asset on the financial statements of the Organization. Under the Foundation's endowment management policies, dividends and interest earned and capital gains are retained in the endowment fund.

The following tables summarize investments measured at fair value based on the NAV per share as of June 30, 2021 and 2020, respectively:

Description	Fair Value June 30, 2021	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
<i>Beneficial Interest in Assets Held by Others</i>				
Tulsa Community Foundation	<u>\$929,838</u>	N/A	*	N/A

Description	Fair Value June 30, 2020	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
<i>Beneficial Interest in Assets Held by Others</i>				
Tulsa Community Foundation	<u>\$728,861</u>	N/A	*	N/A

\* Unusual Circumstances of need or opportunity

**Pledges Receivable**

Pledges receivable at June 30, 2021 and 2020 consist of the following:

	2021	2020
Due within 1 year	\$53,750	\$102,651
Due in 1-5 years	49,700	58,400
Due after 5 years		
<b>Pledges Receivable</b>	103,450	161,051
Discount	(5,190)	(7,553)
<b>Pledges Receivable, net</b>	<u>\$98,260</u>	<u>\$153,498</u>

**Street School, Inc.**  
**Notes to Financial Statements**

**Other Receivables**

Grants receivable at June 30, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Office of Juvenile Affairs	\$5,141	\$0
United Way	220,004	220,004
State Department of Education	25,000	45,000
Other	17,656	25,051
	<u>267,801</u>	<u>290,055</u>
Less allowance for doubtful accounts		
<b>Other Receivables</b>	<b><u>\$267,801</u></b>	<b><u>\$290,055</u></b>

**Endowment**

Street School has an endowment fund with Tulsa Community Foundation (TCF), an Oklahoma not-for-profit corporation and community foundation. The mutual intent of Street School and TCF is to create a permanent endowment (the Fund) for the benefit of Street School. Investment management policies are directed by TCF.

The fair value of Street School's contribution to TCF was \$929,838 and \$728,861 at June 30, 2021 and 2020, respectively, valued at the net asset value (NAV) based on the market value of its underlying investments. Although the endowment fund with TCF is not available in an active market, the NAV of the investments are approximated based on the quoted prices of the underlying investments that are traded in an active market. The Organization has no unfunded commitments related to any of these investments and there are no initiated redemption restrictions on these investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

TCF has also received contributions for Street School that are not recorded in Street School's financial statements due to the donor granting variance power to TCF. The fair value of funds held by TCF for the benefit of Street School, but not reported as an asset was \$11,591 and \$8,837 at June 30, 2021 and 2020, respectively. In unusual circumstances of need or opportunity, Street School may request a distribution of all or a portion of the Fund upon two-thirds vote of Street School's Board of Directors (the Board). TCF may grant the request if it concludes the distribution is neither unreasonable nor inconsistent with the charitable purposes of TCF and Street School; however, TCF has the ultimate unilateral authority over and control of all property in the Fund.

The Board requires 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. As a result, Street School classifies as permanently restricted new assets (a) the original value of gift 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.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified based on the existence or absence of donor-imposed restrictions.

Street School's policy governing the amounts paid annually from the endowment to support current operations is designed to protect the value of the endowment against the expected impact of inflation and to provide real growth of the endowment. The payout rate, set annually by the Board, is based on an estimate of total investment returns and the expected impact of inflation of the endowment assets. The sources of the payout are earned income on the endowment assets (interest and dividends), previously reinvested income, and a portion of realized capital gains. Street School's spending policy is to distribute annually up to a maximum of 5% of the endowment assets' total fair value calculated as of January 1 of the current fiscal year, at the discretion of the Board. There were no distributions for the years ended June 30, 2021 and 2020.

**Street School, Inc.**  
**Notes to Financial Statements**

**Endowment (continued)**

Street School has adopted the Tulsa Community Foundation Investment Policy for endowment assets that attempts to provide a predictable stream of funding by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment is invested in a manner that is intended to produce results based on a moderate investment objective. This objective seeks an average annual real total return equal to at least 6%. Real total return defined as the sum of capital appreciation (or loss) and current income achieved in the form of dividends and interest adjusted for inflation as measured by the consumer price index.

To satisfy its long-term rate-of-return objectives, Street School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The TCF moderate allocation fund has an overall target asset allocation of 63% in equities, 28% in fixed income and 9% in other to achieve its long-term return objectives.

Changes in Endowment Fund Net Assets for the years ended June 30, 2021 and 2020, consist of the following:

2021	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund net assets, beginning of year	\$527,716	\$201,145	\$728,861
Investment income	145,513	55,464	200,977
Release from Restriction	55,464	(55,464)	
<b>Endowment Fund net assets, end of year</b>	<b>\$728,693</b>	<b>\$201,145</b>	<b>\$929,838</b>

2020	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund net assets, beginning of year	\$505,668	\$201,145	\$706,813
Investment income	15,772	6,276	22,048
Release from Restriction	6,276	(6,276)	
<b>Endowment Fund net assets, end of year</b>	<b>\$527,716</b>	<b>\$201,145</b>	<b>\$728,861</b>

**Investments**

Investments, which are valued at fair value, are summarized as follows at June 30, 2021 and 2020:

	2021			2020		
	Cost	Fair Value	Level	Cost	Fair Value	Level
Fidelity Intermediate						
Government Income Fund	\$234,753	\$301,449	1	\$219,822	\$225,856	1
	<b>\$234,753</b>	<b>\$301,449</b>		<b>\$219,822</b>	<b>\$225,856</b>	

**Contribution of Facilities and Service**

As part of its agreement with Tulsa Public Schools, Street School is provided, without charge, classrooms, counselling and administrative offices, educational materials and the services of four full-time teachers. There are also items, such as food, donated by individuals or businesses.

The components of in-kind support at June 30, 2021 and 2020 are summarized below:

	2021	2020
<b>Tulsa Public Schools:</b>		
Salaries and Benefits	\$702,480	\$581,137
Facilities	308,190	310,389
Educational Materials		
<b>Total Tulsa Public Schools:</b>	1,010,670	891,526
Other Sources	7,887	10,434
<b>Total In-Kind Support</b>	<b>\$1,018,557</b>	<b>\$901,960</b>

**Street School, Inc.**  
**Notes to Financial Statements**

**Property and Equipment**

Property and Equipment at June 30, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Educational Equipment	\$315,049	\$315,049
Vehicles	214,688	214,688
Building Improvements	218,716	218,716
Furniture, Fixtures, and Equipment	151,589	151,589
Accumulated Depreciation	(850,569)	(821,460)
<b>Property and Equipment, net</b>	<b><u>\$49,473</u></b>	<b><u>\$78,582</u></b>

**Employee Benefits**

Street School has a 403(b) Teacher Retirement account for its eligible full-time employees. The rate of contributions, 9.5% of employee salary and additional compensation for the years ended June 30, 2021 and 2020, was approved by the Board. Total contributions for the years ended June 30, 2021 and 2020, were \$141,056 and \$149,279, respectively.

**Paycheck Protection Program and Economic Injury Disaster Loans**

In April of 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program (“PPP”), a program implemented by the U.S. Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), from a qualified lender for an aggregate principal amount of \$324,400. The principal amount of the PPP loan was subject to forgiveness under the PPP upon the Organization’s request to the extent that the loan proceeds were used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, covered utility payments, and other operating expenses incurred by the Organization.

As of June 30, 2020, the Organization had incurred \$263,700 of covered expenses. Accordingly, the Organization’s statement of activities reflects the PPP proceeds as revenue in the amount of \$263,700. The remaining \$60,700 is reflected on the Organization’s statement of financial position as an unrecognized conditional contribution of \$50,700 and as a PPP note payable of \$10,000.

In May of 2020, the Organization qualified and received a \$10,000 grant pursuant to the Economic Injury and Disaster Loans (“EIDL”) program also implemented by the SBA under the CARES Act. The EIDL grant was received in addition to the PPP loan, thus the \$10,000 EIDL grant was subtracted from the PPP forgiveness.

In November of 2020, the Organization received forgiveness on \$314,400 of the PPP loan, which is the original amount of \$324,400 less the \$10,000 EIDL grant.

In February of 2021, the Organization qualified for and received a second PPP loan from a qualified lender for the principal amount of \$365,500. As of June 30, 2021, the Organization had incurred \$365,500 of covered expenses.

On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act removed the clause from the CARES Act that \$10,000 EIDL grants must be deducted from PPP forgiveness amounts. Accordingly, the prior year PPP note payable of \$10,000 was reflected in the Organizations statement of activities as revenue.

As of June 30, 2021, the statement of activities includes the following as Conditional Contribution (PPP):

Unrecognized portion of PPP 1	\$50,700
EIDL grant	10,000
Second PPP loan	365,500
Accrued Interest	50
<b>Conditional Contribution (PPP)</b>	<b><u>\$426,250</u></b>

As of December 14, 2021, the Organization has not yet received the forgiveness award for the second PPP loan from the SBA.

**Street School, Inc.**  
**Notes to Financial Statements**

**Contingencies**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The Organization expects these matters to negatively impact its operating results. However, the related impact and duration cannot be reasonably estimated at this time.

**SUPPLEMENTAL INFORMATION**

**Street School, Inc.**  
**Schedule of State Awards**  
**For the Year Ended June 30, 2021**

<b>State Grantor/Program Title</b>	<b>Contract Number</b>	<b>Current Year Revenue</b>
Community Based Prevention and Diversionary: Youth Services Program	4009022791	\$225,263
Oklahoma Department of Education: Alternative and At-risk Education Grant	2659018246	100,000
Department of Mental Health and Substance Abuse Services: Outpatient Substance Abuse/Adolescents	4529059469	87,900
<b>Total State Awards</b>		<b><u>\$413,163</u></b>

**Street School, Inc.**  
**Schedule of Revenues and Expenses**  
**Office of Juvenile Affairs**  
**Community Based Youth Services**  
**For the Year Ended June 30, 2021**

<b>Revenues</b>	\$225,263
<b>Program Costs:</b>	
Salaries	225,263
Excess of Revenues over Program Costs	<u><u>\$0</u></u>

**OTHER REPORT**

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

To the Board of Directors of  
Street School, 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 financial statements of Street School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, which collectively comprise the Street School, Inc.’s basic financial statements, and have issued our report thereon dated December 14, 2021.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Street School, Inc.’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Regier Carr & Monroe LLP*

December 14, 2021  
Tulsa, Oklahoma

**Street School, Inc.**  
**Schedule of Findings**  
**For the Year Ended June 30, 2021**

**Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            Yes     X     None reported

Significant deficiency(ies) identified?            Yes     X     None reported

Noncompliance material to financial statements noted?            Yes     X     No