

**INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025 and 2024**

**WITH**

**INDEPENDENT AUDITOR'S REPORTS**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Indian Health Care Resource Center of Tulsa, Inc.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the consolidated financial statements of Indian Health Care Resource Center of Tulsa, Inc. and its subsidiary (the Center), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance 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 (GAAS) and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Center 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 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 the Center's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS and *Governmental 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 GAAS and *Government 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 the Center'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 the Center'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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, on our consideration of the Center'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 solely 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 effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hogan Taylor LLP". The signature is written in a cursive, flowing style.

Tulsa, Oklahoma  
November 19, 2025

**INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**June 30, 2025 and 2024**

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 14,904,805	\$ 20,328,022
Short-term investments	6,000,000	6,000,000
Receivables:		
Grants and contracts	983,476	294,972
Patient services, net of allowance of \$20,010 and \$25,280 for 2025 and 2024, respectively	1,405,014	1,466,064
Inventory of pharmaceutical supplies	193,923	218,962
Prepaid expenses	540,753	556,514
Total current assets	24,027,971	28,864,534
Property and equipment, net	47,166,848	29,612,759
Investments	32,124,839	30,266,207
Beneficial interest in assets held by others	340,117	305,655
Other assets	17,566	14,606
Total assets	<u>\$ 103,677,341</u>	<u>\$ 89,063,761</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,769,238	\$ 2,957,511
Deferred revenue	3,226,786	3,496,749
Current portion of long-term debt	396,800	-
Total current liabilities	6,392,824	6,454,260
Long-term debt	11,803,231	6,000,000
Total liabilities	18,196,055	12,454,260
Net assets:		
Without donor restrictions:		
Invested in property and equipment, net	34,966,817	23,612,759
Designated by the Board for endowment	10,980,136	10,041,075
Undesignated	39,341,148	42,418,519
Total without donor restrictions	85,288,101	76,072,353
With donor restrictions	193,185	537,148
Total net assets	85,481,286	76,609,501
Total liabilities and net assets	<u>\$ 103,677,341</u>	<u>\$ 89,063,761</u>

**INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**Years ended June 30, 2025 and 2024**

	2025	2024
<b>Changes in Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Medical services, net	\$ 21,237,477	\$ 23,458,767
Contracts and grants	11,587,837	11,787,572
Donations	136,402	443,295
Other	219,335	213,909
Investment income, net	2,747,424	3,106,542
Net assets released from restrictions	508,903	536,991
	<hr/>	<hr/>
Total revenues, gains and other support	36,437,378	39,547,076
Expenses:		
Program expenses:		
Provided through grant funding:		
Urban Indian Health Care Services	8,123,176	8,594,171
Special Diabetes Program for Indians	751,657	560,496
Systems of Care	-	155,727
Domestic Violence Prevention Initiative	153,716	152,270
Tulsa Healthy Start Initiative	32,885	54,217
OKTEP SNAP-Ed	-	41,170
	<hr/>	<hr/>
Total provided through grant funding	9,061,434	9,558,051
Provided through nongrant funding	10,767,493	9,570,696
	<hr/>	<hr/>
Total program expenses	19,828,927	19,128,747
Administrative and general expenses:		
Provided through grant funding	1,873,832	1,888,447
Provided through nongrant funding	5,345,398	3,892,322
	<hr/>	<hr/>
Total administrative and general expenses	7,219,230	5,780,769
Fundraising	173,473	237,622
	<hr/>	<hr/>
Total expenses	27,221,630	25,147,138
	<hr/>	<hr/>
Increase in net assets without donor restrictions	9,215,748	14,399,938
<b>Changes in Net Assets With Donor Restrictions</b>		
Donations	164,940	474,751
Net assets released from restrictions	(508,903)	(536,991)
	<hr/>	<hr/>
Decrease in net assets with donor restrictions	(343,963)	(62,240)
	<hr/>	<hr/>
Change in net assets	8,871,785	14,337,698
Net assets, beginning of year	76,609,501	62,271,803
	<hr/>	<hr/>
Net assets, end of year	\$ 85,481,286	\$ 76,609,501
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See notes to consolidated financial statements.

INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2025

	Urban Indian Health Care Services	Special Diabetes Program for Indians	Domestic Violence Prevention Initiative	Tulsa Healthy Start Initiative	Total Program Services Provided Through Grant Funding	Total Program Services Provided Through Nongrant Funding	Total Program Expenses	Administrative and General Expenses Provided Through Grant Funding	Administrative and General Expenses Provided Through Nongrant Funding	Total Administrative and General Expenses	Fundraising	Total
Personnel	\$ 4,080,815	\$263,876	\$ 99,727	\$20,841	\$ 4,465,259	\$ 5,803,988	\$10,269,247	\$ 1,138,040	\$ 1,569,689	\$ 2,707,729	\$ 71,644	\$13,048,620
Fringe benefits	894,159	72,274	33,474	11,714	1,011,621	1,909,266	2,920,887	207,932	545,364	753,296	30,344	3,704,527
Travel	-	1,118	-	-	1,118	16,921	18,039	-	35,771	35,771	148	53,958
Pharmaceutical and other supplies	2,892,339	399,670	18,905	-	3,310,914	1,184,745	4,495,659	-	154,986	154,986	48,931	4,699,576
Contractual	134,268	-	-	-	134,268	824,544	958,812	28,009	760,844	788,853	7,075	1,754,740
Other	121,595	14,719	1,610	330	138,254	772,430	910,684	231,584	1,727,015	1,958,599	15,331	2,884,614
	8,123,176	751,657	153,716	32,885	9,061,434	10,511,894	19,573,328	1,605,565	4,793,669	6,399,234	173,473	26,146,035
Depreciation and amortization	-	-	-	-	-	255,599	255,599	268,267	551,729	819,996	-	1,075,595
Total expenses	\$ 8,123,176	\$751,657	\$153,716	\$32,885	\$ 9,061,434	\$10,767,493	\$19,828,927	\$ 1,873,832	\$ 5,345,398	\$ 7,219,230	\$173,473	\$27,221,630

INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

	Urban Indian Health Care Services	Special Diabetes Program for Indians	Systems of Care	Domestic Violence Prevention Initiative	Tulsa Healthy Start Initiative	OKTEP SNAP-Ed	Total Program Services Provided Through Grant Funding	Total Program Services Provided Through Nongrant Funding	Total Program Expenses	Administrative and General Expenses Provided Through Grant Funding	Administrative and General Expenses Provided Through Nongrant Funding	Total Administrative and General Expenses	Fundraising	Total
Personnel	\$ 4,363,555	\$ 205,793	\$ 99,602	\$ 110,327	\$ 33,845	\$ 25,790	\$ 4,838,912	\$ 5,384,417	\$ 10,223,329	\$ 1,101,708	\$ 1,463,139	\$ 2,564,847	\$ 97,250	\$ 12,885,426
Fringe benefits	1,058,323	57,948	34,066	36,749	20,012	12,883	1,219,981	1,873,483	3,093,464	213,633	477,154	690,787	44,294	3,828,545
Travel	-	-	-	1,483	-	2,475	3,958	20,551	24,509	3,538	28,183	31,721	255	56,485
Pharmaceutical and other supplies	2,336,461	292,061	385	483	-	22	2,629,412	1,151,278	3,780,690	156	113,892	114,048	57,071	3,951,809
Contractual	683,830	-	-	-	-	-	683,830	370,288	1,054,118	30,487	509,853	540,340	9,515	1,603,973
Other	152,002	4,694	21,674	3,228	360	-	181,958	556,609	738,567	261,579	847,036	1,108,615	29,237	1,876,419
	8,594,171	560,496	155,727	152,270	54,217	41,170	9,558,051	9,356,626	18,914,677	1,611,101	3,439,257	5,050,358	237,622	24,202,657
Depreciation and amortization	-	-	-	-	-	-	-	214,070	214,070	277,346	453,065	730,411	-	944,481
Total expenses	\$ 8,594,171	\$ 560,496	\$ 155,727	\$ 152,270	\$ 54,217	\$ 41,170	\$ 9,558,051	\$ 9,570,696	\$ 19,128,747	\$ 1,888,447	\$ 3,892,322	\$ 5,780,769	\$ 237,622	\$ 25,147,138



**INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from insurance providers	\$ 21,298,527	\$ 23,593,856
Cash received from contracts, grants, and donations	10,930,712	10,871,657
Cash received from events and other sources	216,375	230,903
Cash received from dividends and interest	854,330	1,386,664
Cash paid for salaries, employee benefits and taxes	(16,753,147)	(16,713,971)
Cash paid to suppliers	(9,898,968)	(7,584,316)
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Net cash provided by operating activities	6,647,829	11,784,793
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(18,271,077)	(12,817,378)
Purchases of investments	-	(411,281)
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Net cash used in investing activities	(18,271,077)	(13,228,659)
<b>Cash Flows from Financing Activities</b>		
Borrowings on long-term debt	6,200,031	4,753,263
	<hr/>	<hr/>
Net change in cash and cash equivalents	(5,423,217)	3,309,397
Cash and cash equivalents, beginning of year	20,328,022	17,018,625
	<hr/>	<hr/>
Cash and cash equivalents, end of year	<u>\$ 14,904,805</u>	<u>\$ 20,328,022</u>

# INDIAN HEALTH CARE RESOURCE CENTER OF TULSA, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

### Note 1 – Summary of Significant Accounting Policies

#### Organization

Indian Health Care Resource Center of Tulsa, Inc. (the Center) is a nonprofit corporation organized for the purpose of providing quality, comprehensive health care to the urban Indian community in the Tulsa, Oklahoma, area in a culturally sensitive manner that promotes good health, well-being and harmony.

#### Basis of presentation

The accompanying consolidated financial statements include the accounts of the Center and The Indian Health Care Resource Center of Tulsa, Inc. Charitable Trust (Charitable Trust), and have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) using the accrual basis of accounting. The Charitable Trust was formed as a Type I supporting organization for the purpose of furthering the charitable and educational goals of the Center. All significant intercompany balances and transactions have been eliminated in consolidation.

The financial statement presentation is in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires the presentation of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions.

Descriptions of the two net asset categories and the types of transactions included in each category are as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations and are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating purposes. The governing board has designated, from net assets without donor restrictions, net assets for a board designated endowment. Board designated net assets are subject to self-imposed limits by action of the Board. Board designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of property and equipment, or other uses.

*With donor restrictions* – Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature and may or will be met by expenditures or actions of the Center, or by the passage of time. The Center reports gifts of cash and other assets as revenue with donor restrictions 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, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as released from restrictions.

Other donor-imposed restrictions are perpetual in nature and are limited by donor-imposed restrictions which stipulate that resources be maintained permanently but permit the Center to expend the income generated in accordance with the provisions of the related agreements. The Center does not have net assets to be held in perpetuity as of June 30, 2025 or 2024.

### Cash and cash equivalents

The Center considers all cash on hand, cash in banks and liquid investments with original maturities of three months or less, to be cash and cash equivalents.

### Concentration of credit risk

The Center maintains accounts and deposits with financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). Typically, cash balances exceed the FDIC insurance limits.

### Contributions

The Center follows applicable standards of accounting and financial reporting prescribed for not-for-profit organizations. Contributions are recorded at fair value. The Center 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 consolidated statements of activities as net assets released from restrictions. However, donor restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction.

### Investments and beneficial interest in assets held by others

Investments in equity funds with readily determinable fair values and investments in fixed income securities are reported at fair value. Investment gains and losses, including changes in fair value and net of investment expenses, are included in the consolidated statements of activities. Investments held at the Charitable Trust are classified as noncurrent as it is the Center's intent that the Charitable Trust is for the long-term benefit of the Center.

### Patient services receivables

Patient services receivables primarily consist of uncollateralized receivables from federal and state agencies (under the Medicare and Medicaid programs) and insurance companies. The Center determines the net realizable value of its receivables based on established agreements with third-party payors that provide for payments to the Center at amounts that typically differ from its established rates. For services provided to Medicaid beneficiaries, estimated receivables are determined based on program guidelines for reimbursement of services that are either paid at prospectively determined rates per diagnosis or retrospectively determined costs. As changes in contract terms and the regulatory environment can significantly affect the valuation of its receivables, the Center closely monitors these items, along with historical collection rates, to ensure the appropriateness of its receivable valuations.

Patient services receivables are carried at original billing amount less an estimate for expected credit losses. Management determines the allowance for expected credit losses by using historical experience applied to account balances. Patient services receivables are written off when deemed uncollectible. Recoveries of patient services receivables previously written off are recorded when received.

### Grants and contracts

Grants and contracts awarded by the federal government are recorded as a receivable when the grant or contract revenue has been earned. Funds received from the federal government in advance of the related services having been performed are recorded as deferred revenue. Grants and contracts for support of current operations are recorded as operating revenues for the current year to the extent that allowable expenditures are incurred.

### Inventory of pharmaceutical supplies

Inventory is stated at cost, generally determined on a first-in, first-out basis, and consists of pharmaceutical supplies utilized in connection with the Center's Urban Indian Health Care Services contract.

### Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, ranging from three to 40 years. Nonexpendable property purchased with federal financial assistance funds is recorded at cost and is considered to be owned by the organization while used in the program for which it was acquired, or in future programs. Property donated by the government or others is recorded at fair value at the date of donation. The United States has a reversionary interest in property purchased with federal assistance or otherwise provided by the government, and thus its disposition, as well as the ownership of any proceeds therefrom, is subject to federal regulations. All fixed asset contributions are considered available for the general programs of the Center, unless specifically restricted by the donor.

### Revenue recognition

The Center follows ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Under this ASU, recognition of revenue from customer contracts is a principles-based framework ensuring that revenue is recognized in a manner which reflects the consideration the Center is entitled in exchange for goods and services.

Medical services revenue, net, categorized by major payors consists of the following:

	2025	2024
Medicaid	\$ 14,267,020	\$ 16,624,786
Medicare	4,265,472	4,217,668
Other third-party payors	2,704,985	2,616,313
	<u>\$ 21,237,477</u>	<u>\$ 23,458,767</u>

The Center recognizes revenue at the amount of consideration for which the Center expects to be entitled in exchange for providing medical services. These amounts are due from third-party payors (including commercial and governmental programs). Revenue is recognized at a point in time, which is the date of the service. Payment is typically due within 60 days of service.

Consistent with the Center's mission, care is provided to patients regardless of their ability to pay.

The Center determines the transaction price, and therefore the revenue recognized, based on standard charges for services provided, reduced by contractual adjustments provided to third-party payors. The Center determines its estimates of contractual adjustments based on contractual agreements and historical experience. Agreements with third-party payors typically provide for payments at amounts less than established charges. Medicaid and Medicare revenue is reimbursed to the Center at the net reimbursement rates as determined by each program. Reimbursement rates are subject to revisions under the provisions of regulations. Adjustments for such revision are recognized in the fiscal year incurred.

In accordance with the available practical expedient, the Center does not adjust the promised amount of consideration from third-party payors for the effects of a significant financing component due to its expectation that the period between the time the service is provided to a patient and the time that the third-party payor pays for that service will be one year or less.

### Functional allocation of expenses

The costs of providing the Center's various programs and other activities are summarized and reported on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated based primarily on management's estimate of staffing levels and time spent on the programs benefited.

### Income taxes

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a) of the Code. The Charitable Trust is exempt from income taxes under Section 501(c)(3) of the Code, and is a Type I supporting organization under Section 509(a)(3) of the Code. As a result, as long as the Center and Charitable Trust maintain their tax exemption, they are not subject to income taxes.

### Use of estimates

The preparation of financial statements in conformity with U.S. GAAP 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 statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## **Note 2 – Liquidity and Availability of Financial Resources**

As of June 30, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	2025	2024
Assets:		
Cash and cash equivalents	\$ 14,904,805	\$ 20,328,022
Net patient services, grants, contract and employee receivables	2,388,490	1,761,036
Investments	32,124,839	30,266,207
	49,418,134	52,355,265
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Board designated endowment	10,980,136	10,041,075
Donor restrictions	193,185	537,148
	<u>\$ 38,244,813</u>	<u>\$ 41,777,042</u>

As part of the Center's liquidity management, it structures its financial assets to be available as its general expenditures, such as operating expenses, scheduled principal payments on debt, planned capital expenditures and other obligations come due. Although the Center does not intend to spend its Board designated endowment, amounts could be made available with approval from the Board, if necessary.

## **Note 3 – Investments and Beneficial Interest in Assets Held by Others**

The Center has established an endowment fund with the Tulsa Community Foundation (the Foundation), an Oklahoma not-for-profit corporation and community foundation. The mutual intent of the Center and

the Foundation is to create a fund (the Fund) for the benefit of the Center. 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 the Foundation.

The Center is entitled to receive annually a maximum of 6% of the Fund's market value as of the preceding December 31. In unusual circumstances of need or opportunity, the Center may request a distribution of all or a portion of the Fund upon two-thirds vote of the Center's Board of Directors. The Foundation may grant the request if it concludes the distribution is neither unreasonable nor inconsistent with the charitable purposes of the Foundation and the Center; however, the Foundation has the ultimate unilateral authority over and control of all property in the Fund. In addition, the Foundation may receive contributions from third-party donors to be used by the Foundation to support the activities of the Center, and the Foundation may also make its own contributions to the funds it administers. Such investments of the Fund, aggregated \$9,518 and \$8,568 as of June 30, 2025 and 2024, respectively, are not reflected as assets of the Center.

#### Fair value measurements

The Center follows the Fair Value Measurements Topic of the FASB Accounting Standards Codification. This Topic defines fair value, establishes a consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability 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 Center's own assumptions in determining the value of investments).

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

The following is a summary of the inputs used as of June 30, in valuing the Center's securities carried at fair value:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 5,953,293	\$ -	\$ -	\$ 5,953,293
U.S. treasury bills	17,638,049	-	-	17,638,049
Fixed income mutual funds	2,216,221	-	-	2,216,221
Equity securities	5,463,842	-	-	5,463,842
International equities	853,434	-	-	853,434
Total investments	32,124,839	-	-	32,124,839
Beneficial interest in assets held by others	-	340,117	-	340,117
	<u>\$ 32,124,839</u>	<u>\$ 340,117</u>	<u>\$ -</u>	<u>\$ 32,464,956</u>

Assets at Fair Value as of June 30, 2024				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 3,875,502	\$ -	\$ -	\$ 3,875,502
U.S. treasury bills	17,614,379	-	-	17,614,379
Fixed income mutual funds	2,403,662	-	-	2,403,662
Equity securities	5,636,008	-	-	5,636,008
International equities	736,656	-	-	736,656
Total investments	30,266,207	-	-	30,266,207
Beneficial interest in assets held by others	-	305,655	-	305,655
	<u>\$ 30,266,207</u>	<u>\$ 305,655</u>	<u>\$ -</u>	<u>\$ 30,571,862</u>

Beneficial interest in assets held by others is measured at fair value using Level 2 inputs. Since the Foundation maintains variance power for the interests it holds, there is no potential market for the interests or similar assets. Consequently, the valuation is determined by aggregating the valuation of the underlying investments of the interests. The underlying investments include cash equivalents and fixed income and equity mutual funds. The fair value of the underlying investments is based on quoted prices from active and inactive markets.

Net investment income for the investments and beneficial interest in assets held by others was as follows for the years ended June 30:

	2025	2024
Interest and dividends	\$ 2,049,431	\$ 1,386,664
Net realized and unrealized gain on investments	746,045	1,756,842
Net gain in beneficial interest in assets held by others	34,462	32,125
Investment fees	(82,514)	(69,089)
	<u>\$ 2,747,424</u>	<u>\$ 3,106,542</u>

#### Note 4 – Property and Equipment

Property and equipment consist of the following at June 30:

	2025	2024
Land and improvements	\$ 7,892,488	\$ 7,892,488
Building and improvements	42,285,795	14,428,310
Equipment	10,391,157	5,496,040
Construction in progress	1,709,090	16,602,170
	62,278,530	44,419,008
Less accumulated depreciation	(15,111,682)	(14,806,249)
	<u>\$ 47,166,848</u>	<u>\$ 29,612,759</u>

Construction in progress represents capitalizable costs in connection with the rehabilitation of the Center's facilities and development of property expansion. Construction on the expansion was substantially

completed and put into service during fiscal year 2025. There are miscellaneous interior renovations still in progress at year-end.

#### **Note 5 – Retirement Plan**

The Center has a defined contribution plan covering all employees with one year of service. The Center contributes amounts ranging from 4% to 6% of employees' current salaries, depending upon length of service. The employees are fully vested immediately after completing six years of employment. Employer contributions to the plan for the years ended June 30, 2025 and 2024, were \$524,726 and \$569,143, respectively.

#### **Note 6 – Long-term Debt**

On June 1, 2023, the Center entered into an advancing loan agreement not to exceed \$6,000,000 to finance the construction of an expansion of the Center's existing medical facility (Construction Loan) and \$7,500,000 to finance the acquisition of furniture, fixtures, and equipment (Equipment Loan). The advancing loan period ends May 2, 2026, for the Construction Loan and September 2, 2026, for the Equipment Loan. Interest accrues on the Construction Loan at a rate equal to the lender's IntraFi Rate plus 2.00% (5.68% at June 30, 2025); the IntraFi rate will correlate with the Center's interest rate on their collateralized deposit with the lender; the Equipment Loan accrues interest at a fixed annual rate of 6.99%. Interest is due monthly beginning June 30, 2023. After the advancing loan period ends, the Construction Loan will be payable in monthly installments of principal and interest beginning May 31, 2026, based on a 15-year amortization schedule and matures May 2, 2041. The Equipment Loan will be payable in monthly installments of principal and interest beginning September 30, 2026, based on a 15-year amortization schedule and matures September 2, 2033. The loans are subject to certain debt covenants, including a minimum current ratio and funded debt to EBITDA ratio. The loans are collateralized with the Center's Custodial Deposit Account and the liens on the building and equipment.

At June 30, 2025, the Center had \$6,000,000 outstanding under the Construction Loan and \$6,200,031 under the Equipment Loan. Interest paid by the Center related to the loans totaled \$275,431 for the year ended June 30, 2025.

On August 7, 2025, the Construction Loan and Equipment Loan were paid in full. The total repayment amounted to \$12,200,031.

#### **Note 7 – Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2025	2024
Gerontology Program	\$ -	\$ 280,823
Youth Grant	26,083	52,373
Funding for a Provider	76,513	78,211
Running Strong	77,079	74,987
Elderly Energy	-	38
Take Control Initiative	3,428	4,222
Diabetes Program	-	41,494
Running Strong/Sit Less	10,000	-
Equality Project	82	5,000
	<u>\$ 193,185</u>	<u>\$ 537,148</u>



#### **Note 8 – Commitments and Contingencies**

A substantial portion of the Center's support and revenue is derived from various grants and contracts which depend directly or indirectly on continued funding from the federal government. The loss of these funds, or extended delays of the receipt of these funds, could adversely impact the operations and continued existence of the Center. The grants and contracts are subject to audit by various federal and state agencies. Amounts questioned as a result of audits, if any, may result in reimbursements to these governmental agencies. Management believes that amounts questioned, if any, would be immaterial.

The Center is subject to various legal proceeding claims that arise in the ordinary course of its business, including employment related matters. Management of the Center believes these matters can be successfully defended or resolved without material adverse effects on the Center's financial position and results of activities.

#### **Note 9 – Subsequent Events**

Management has evaluated subsequent events through November 19, 2025, the date the consolidated financial statements were available to be issued.

In 2025, the federal government cut or eliminated a number of government grants and subsidies. The impact on the Organization, if any, is not known at this time.

## **OTHER REPORT**

**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**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Indian Health Care Resource Center of Tulsa, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Indian Health Care Resource Center of Tulsa, Inc. and its subsidiary (the Center), which comprise the consolidated statement of financial position as of June 30, 2025, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 19, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Center'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center's consolidated 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 consolidated financial statement. 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.

A handwritten signature in black ink that reads "Hogan Taylor LP". The signature is written in a cursive, flowing style.

Tulsa, Oklahoma  
November 19, 2025