



# CITY CARE

*Audited Financial Statements*

**CITY CARE, INC.**

*December 31, 2022 and 2021*

# CITY CARE, INC.

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Bell & Rhodes, PC  
Certified Public Accountants  
14220 Barbour Avenue  
Oklahoma City, Oklahoma 73134

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
City Care, Inc.  
Oklahoma City, Oklahoma

### Opinion

We have audited the accompanying financial statements of **City Care, Inc.** (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022 and 2021 and the related statements of activities and 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 City Care, Inc. as of December 31, 2022 and 2021 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. 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 **City Care, 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 opinion.

### Responsibility 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 **City Care, 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 Responsibility 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, including omissions, 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 **City Care, 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 **City Care, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Other Matters**

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of City Care, Inc. taken as a whole. The accompanying schedule of expenditures of federal and state awards, as of December 31, 2022 and December 31, 2021, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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, 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 September 12, 2023, on our consideration of **City Care Inc's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Care, **Inc.'s** internal control over financial reporting and compliance.

*Bell & Rhodes, P.C.*

September 12, 2023

**CITY CARE, INC.**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 944,631	\$ 682,900
Certificates of Deposit	228,123	227,205
Accounts Receivable	473,585	106,734
Employee Reimbursements Due	5,185	-
Prepaid Expense	4,665	1,204
Total Current Assets	1,656,189	1,018,043
<b>Fixed Assets:</b>		
Total Fixed Assets	10,699,331	10,536,588
Less: Accumulated Depreciation	(1,540,955)	(1,324,821)
Net Fixed Assets	9,158,376	9,211,767
<b>Other Assets:</b>		
Cash - Restricted	184,995	184,974
Deposits	2,915	2,915
Beneficial Interest in Securities Held by Others	110,518	125,100
Investment in Limited Partnership	32,116	32,116
Long-Term Notes Receivable	300,000	300,000
Accrued Interest Long-Term Notes Receivable	300,918	276,918
Total Other Assets	931,462	922,023
<b>Total Assets</b>	<b>\$ 11,746,027</b>	<b>\$ 11,151,833</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 180,201	\$ 29,737
Deferred Revenue	3,023	-
Payroll Related Liabilities	75,789	77,498
Due to Westlawn LP	11,082	11,082
Rental Deposits	13,780	11,778
Notes Payable Current Portion	3,000	2,998
Total Current Liabilities	286,875	133,093
<b>Long-Term Liabilities:</b>		
Notes Payable-Forgivable Government Loans	5,767,528	5,767,528
Notes Payable-Bank	44,635	47,459
Forgivable SBA Paycheck Protection Program Loan	-	256,900
Escrow-Lease Purchases	31,726	30,527
Total Long-Term Liabilities	5,843,889	6,102,414
<b>Total Liabilities</b>	6,130,764	6,235,507
<b>Net Assets:</b>		
<b>Without Donor Restrictions:</b>		
Without Board Designation	4,902,538	4,606,284
With Board Designation	184,942	184,942
<b>With Donor Restrictions :</b>		
With Donor Restrictions for Use	417,264	-
With Donor Restrictions for Time	110,519	125,100
<b>Total Net Assets</b>	<b>5,615,263</b>	<b>4,916,326</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,746,027</b>	<b>\$ 11,151,833</b>

**See Accompanying Notes to Financial Statements**

**CITY CARE, INC.**  
**Statements of Activities and Changes in Net Assets**  
**For The Years Ended December 31, 2022, and 2021**

	December 31, 2022					December 31, 2021				
	Without Donor	Restriction	With Donor	With Donor	Total	Without Donor	Restriction	With Donor	With Donor	Total
	Undesignated	With Board Designation	Restriction-Use	Restriction-Time		Undesignated	With Board Designation	Restriction-Use	Restriction-Time	
<b>REVENUE AND SUPPORT</b>										
Public Contributions	\$ 1,954,072	\$ -	\$ 417,264	\$ -	\$ 2,371,336	\$ 2,602,566	\$ -	\$ -	\$ -	\$ 2,602,566
In-Kind Contributions	150,495	-	-	-	150,495	157,350	-	-	-	157,350
Federal and State Grants	1,983,800	-	-	-	1,983,800	852,705	-	-	-	852,705
<b>Program Income:</b>										
Residential Program Rental Income	480,169	-	-	-	480,169	-	-	-	-	-
Forgiveness of SBA PPP Loan	259,553	-	-	-	259,553	462,048	-	-	-	462,048
Investment Income	23,865	-	-	(14,581)	9,284	259,054	-	-	-	259,054
Accrued Interest Income Long-Term Receivables	24,000	-	-	-	24,000	4,571	-	-	9,552	14,123
Miscellaneous Income & Gain on Sale of Fixed Assets	10,899	-	-	-	10,899	24,000	-	-	-	24,000
Insurance Proceeds net of Undepreciated Capitalized Cost	197,474	-	-	-	197,474	8,998	-	-	-	8,998
Net Assets Released from Restriction	-	-	-	-	-	158,483	-	(158,483)	-	-
Total Revenue and Support	5,084,327	-	417,264	(14,581)	5,487,010	4,529,775	-	(158,483)	9,552	4,380,844
<b>EXPENSES</b>										
<b>Program Services</b>										
Affordable Housing	1,298,395	-	-	-	1,298,395	1,272,614	-	-	-	1,272,614
Children's Programming	686,929	-	-	-	686,929	556,136	-	-	-	556,136
Homeless Services	1,603,381	-	-	-	1,603,381	1,211,475	-	-	-	1,211,475
Total Program Services	3,588,705	-	-	-	3,588,705	3,040,225	-	-	-	3,040,225
<b>Support Services</b>										
Management and General	594,988	-	-	-	594,988	550,050	-	-	-	550,050
Fundraising	604,380	-	-	-	604,380	403,605	-	-	-	403,605
Total Support Services	1,199,368	-	-	-	1,199,368	953,655	-	-	-	953,655
Total Expenses	4,788,073	-	-	-	4,788,073	3,993,880	-	-	-	3,993,880
Change in Net Assets	296,254	-	417,264	(14,581)	698,937	535,895	-	(158,483)	9,552	386,964
Net Assets - Beginning of Year	4,606,284	184,942	-	125,100	4,916,326	4,070,389	184,942	158,483	115,548	4,529,362
Net Assets - End of Year	\$ 5,319,802	\$ 184,942	\$ 417,264	\$ 110,519	\$ 5,615,263	\$ 4,606,284	\$ 184,942	\$ -	\$ 125,100	\$ 4,916,326

See Accompanying Notes to Financial Statements

**CITY CARE, INC.**  
**Statements of Cash Flows**  
**For The Years Ended December 31, 2022 and 2021**

	2022	2021
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets From Operations	\$ 698,937	\$ 386,964
<b>Adjustments to Reconcile Change in Net Assets to</b>		
<b>Net Cash Provided by Operating Activities:</b>		
Depreciation Expense	218,960	216,556
Change in Accounts Receivable	(366,851)	96,827
Change in Employee Reimbursement Due	(5,185)	-
Change in Prepaid Expense	(3,461)	5,860
Change in Current Liabilities	153,752	(361,233)
<b>Cash Provided by Operating Activities</b>	696,152	344,974
 <b>Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(165,559)	(492,568)
Former Pershing Center Replacement Reserve Reclassed as a part of Board Designated	-	(24,818)
Accrued Interest on Long-Term Notes	(24,000)	(24,000)
Investment Earnings Reinvested into CDs and Restricted Cash	(918)	(102)
Unrealized (Appreciation)/Depreciation in Endowment Funds	14,581	(9,552)
<b>Cash Used -Investing Activities</b>	(175,896)	(551,040)
 <b>Cash Flows From Financing Activities</b>		
Increase in Notes Payable *	(1,625)	118,581
Increase in SBA PPP Forgivable Loan	(256,900)	-
Change in Escrow Balances	-	1,200
<b>Cash Used - Financing Activities</b>	(258,525)	119,781
 Change in Cash	261,731	(86,285)
 Cash, Beginning of Year	682,900	769,185
 Cash, End of Year	\$ 944,631	\$ 682,900

\* Interest of \$5,822 was paid in 2022 and \$4,999 was paid in 2021.

**See Accompanying Notes to Financial Statements**

**CITY CARE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**

	<b>PROGRAM SERVICES</b>				<b>SUPPORTING SERVICES</b>			
	<b>Affordable Housing</b>	<b>Childrens Programing</b>	<b>Homeless Services</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total</b>
Salaries, Contract Labor, Benefits and Payroll Taxes	\$ 694,741	\$ 339,585	\$ 1,010,930	\$ 2,045,256	\$ 164,747	\$ 321,041	\$ 485,788	\$ 2,531,044
General & Administrative	98,146	73,711	79,061	250,918	152,615	78,306	230,921	481,839
Promotions & Branding	-	5,306	-	5,306	3,164	8,589	11,753	17,059
Facility & Housing Maint & Repairs (Net of \$197,474 Ins. Proceeds)	256,078	-	270,245	526,323	9,990	-	9,990	536,313
Program & Event Expenses	58,356	227,449	169,109	454,914	1,275	127,472	128,747	583,661
Vehicle & Equipment Expenses	2,393	-	104	2,497	1,051	-	1,051	3,548
Utilities	181,854	4,675	64,877	251,406	4,194	-	4,194	255,600
Taxes, Licenses & Fees	2,868	-	394	3,262	465	6	471	3,732
Interest Expense	3,169	-	-	3,169	2,653	-	2,653	5,822
Total Before Depreciation & In-Kind	1,297,605	650,726	1,594,720	3,543,051	340,154	535,414	875,568	4,418,618
Depreciation	-	-	-	-	218,960	-	218,960	218,960
In-Kind Food & Supplies Including Those Donated	790	36,203	8,661	45,654	35,875	68,966	104,841	150,495
Total Expenses	<u>\$ 1,298,395</u>	<u>\$ 686,929</u>	<u>\$ 1,603,381</u>	<u>\$ 3,588,705</u>	<u>\$ 594,989</u>	<u>\$ 604,380</u>	<u>\$ 1,199,369</u>	<u>\$ 4,788,073</u>

See Accompanying Notes to Financial Statements



**CITY CARE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	<b>PROGRAM SERVICES</b>				<b>SUPPORTING SERVICES</b>			
	<b>Affordable Housing</b>	<b>Childrens Programing</b>	<b>Homeless Services</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total</b>
Salaries, Contract Labor, Benefits and Payroll Taxes	\$ 555,205	\$ 334,324	\$ 661,890	\$ 1,551,419	\$ 195,670	\$ 233,495	\$ 429,165	\$ 1,980,584
General & Administrative	93,517	75,795	46,801	216,113	128,051	74,495	202,546	418,659
Promotions & Branding	-	6,520	657	7,177	1,380	565	1,945	9,122
Facility & Housing Maint & Repairs	367,286	-	267,007	634,293	345	174	519	634,812
Program & Event Expenses	77,079	132,978	62,874	272,931	1,019	68,355	69,374	342,305
Vehicle & Equipment Expenses	521	-	-	521	-	-	-	521
Utilities	150,649	6,494	45,962	203,105	4,578	-	4,578	207,683
Taxes, Licenses & Fees	13,363	25	7,545	20,933	297	58	355	21,288
Interest Expense	2,845	-	-	2,845	2,154	-	2,154	4,999
Total Before Depreciation & In-Kind	1,260,465	556,136	1,092,736	2,909,337	333,494	377,142	710,636	3,619,973
Depreciation	-	-	-	-	216,556	-	216,556	216,556
In-Kind Food & Supplies Including Those Donated	12,149	-	118,739	130,888	-	26,463	26,463	157,351
Total Expenses	<u>\$ 1,272,614</u>	<u>\$ 556,136</u>	<u>\$ 1,211,475</u>	<u>\$ 3,040,225</u>	<u>\$ 550,050</u>	<u>\$ 403,605</u>	<u>\$ 953,655</u>	<u>\$ 3,993,880</u>

**See Accompanying Notes to Financial Statements**

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A – NATURE OF ACTIVITIES & SIGNIFICANT ACCOUNTING POLICIES**

Organization: City Care, Inc. (“City Care”) was incorporated in 1996, under the laws of the State of Oklahoma as a qualified 501(c)(3) organization. City Care exists to do the work few others are willing to do. We believe in the intrinsic value of every person. It is with love and compassion we advocate for the overlooked in our community. We provide food for the hungry, relief for the hurting, and hold space for complete restoration of lives that have gotten off course. With enough endurance, we witness, firsthand, remarkable stories of transformation. This is accomplished through three main programs:

- *Whiz Kids Oklahoma* – Whiz Kids Oklahoma is breaking the barriers of poverty and illiteracy for the next generation through a faith-based, one-on-one volunteer tutoring and mentoring program that focuses on first- through sixth-grade students in areas with the highest drop-out rates and lowest socio-economic levels in Oklahoma City. Whiz Kids is both proactive and preventative in nature, targeting students who are reading below grade level and who could benefit most from a mentor relationship with a caring adult.

Whiz Kids meet with their mentor each week for a meal, curriculum in character development and literacy-focused tutoring. Whiz Kids partners with local churches, Oklahoma City Public Schools, the Crutch School District, Putnam City School District and the Crooked Oak School District. A teacher from the local school facilitates each Whiz Kids site and acts as the school liaison and resource for volunteer tutors. During the summer months, weekly camps address summer setbacks at targeted sites.

- *Supportive Communities* – City Care provides 112 units of supportive housing and the opportunity for homeless and low-income families to access safe, decent, and affordable housing. Case management is provided to help ensure households remain stably housed as they work on recovery, employment and other issues with our on-site case managers. The program takes a holistic approach to helping each person achieve their full potential, seeking to empower people through teamwork, opportunities for leadership and a supportive community environment. Focusing in one of the most impoverished areas of Oklahoma City, our goal is to be an asset to the community. We encourage residents to accept responsibility for, and take pride in, their community, to participate in the neighborhood association, neighborhood watch patrol and beautification projects.
- *Homeless Services* – City Care’s Homeless Services program, which began in 1996 as simple breakfast, transitioned into an 8-year contract with the Homeless Alliance to manage operations at the OKC Homeless Day Shelter from 2011-2019. In 2018, City Care recognized a gap in the continuum of care provided to Oklahoma City’s most vulnerable, and made a plan to return Day Shelter operations to the Homeless Alliance so we could focus on developing a low-barrier night shelter. The night shelter opened in early 2021, offering 140 beds to men, women, families and their pets.

Basis of Accounting: The financial statements of City Care have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities. Revenues are recorded when earned regardless of when received and expenses are recorded at the time the liabilities are incurred.

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

Basis of Financial Statement Presentation: The financial statements are presented in accordance with Generally Accepted Accounting Principles in the United States, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of non-donation revenue such as fees or payments, and donations given without a donor restriction or where a donor restriction has been met. In addition, this category includes net assets set aside as designated by the board of directors for a specific purpose. City Care has set aside \$184,942 for a repair reserve to comply with standards for repair and replacement reserves for specified rental properties.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are donations for which donor-imposed restrictions have not been met in the year of receipt, including donations for buildings and equipment not yet placed in service, endowment, annuity, life income donations, and pledges. Expirations of restrictions on net assets with donor restriction, including reclassification of restricted donations for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Center. Currently the only net assets restricted by time are the funds maintained by the Communities Foundation of Oklahoma and the Oklahoma City Community Foundation. Please refer to Note C.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates and may be material to the financial statements.

Cash and Cash Equivalents: City Care considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Amounts held in Certificates of Deposits are not included in cash equivalents because they are being held for long-term or investment purposes.

Concentration of Credit: City Care maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. City Care has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accrual of Unpaid Vacation Pay: Earned but unused vacation time available to employees has been accrued and is recorded as a part of year end payroll liabilities as of December 31, 2022, and 2021.

In-Kind Services: Contributed services are recognized only if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donor. In 2022 and 2021 there were no contributed services reflected in the financials, although over 1,500 individuals contributed more than 100,000 hours of service performing a variety of tasks that assist City Care and its programs each year.

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

These volunteers include tutors, bus drivers, food service workers, collegiate students, clothes closet coordinators, and various other volunteers from churches, schools, and corporations.

Donated Property: Contributed food, goods and equipment, as well as rent free office space are recognized in the financials at the time of the contribution based on fair market value. The value of these donations for 2022 and 2021 respectively totaled \$150,495 and \$157,351 and was comprised of food and household goods, and in 2022, office rent provided.

Accounts Receivable: Accounts receivable represent obligations due from tenants, granting agencies, management contracts and a foundation pledge. City Care management considers all accounts receivable to be fully collectible within 12 months.

Property and Equipment: Property and equipment are stated at cost if purchased and, if donated, at fair market value at the time of donation. City Care capitalizes all items with a unit cost of \$2,500 or more when purchased or donated. Property and equipment is depreciated over the useful lives of the respective assets using the straight-line method. Generally, furniture, equipment, and leasehold improvements are depreciated using an estimated useful life of five (5) to seven (7) years or the remaining term of the lease. Buildings and structures are depreciated over thirty (30) years.

Income Taxes: City Care is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements. City Care has no unrelated business income for the fiscal year ended December 31, 2022. Tax years open for examination by taxing authorities are December 31, 2020, 2021, and 2022.

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. City Care reports its fair value measures 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. Following is a brief description of the three levels:

*Level 1:* Quoted prices in active markets for identical assets or liabilities for which City Care has access to at the measurement date;

*Level 2:* Inputs that are derived principally from or corroborated by observable market data either directly or indirectly including:

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

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

The beneficial interest in securities held by others described in Note C are considered valued using Level 2 inputs.

	<u>12/31/2022</u>	<u>12/31/2021</u>
Communities Foundation of Oklahoma (Level 2)	\$ 66,690	\$ 75,323
Oklahoma City Community Foundation (Level 2)	43,829	49,777
Total	\$ 110,518	\$ 125,100

*Level 3:* Inputs that are unobservable and significant to the overall fair value measurement. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available. City Care’s investment in a limited partnership described in Note E is valued using Level 3 inputs.

Functional Allocation of Expenses: The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated across programs based on the benefits of those costs. Most program costs, including fundraising, are directly allocated.

Subsequent Events: Management has evaluated events through September 12, 2023, the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**NOTE B – ACCOUNTS RECEIVABLE**

At December 31, 2022 and 2021 City Care had accounts receivable from rental income, pledges, partner reimbursements, and government grants in the amount of \$473,585 and \$106,734 comprised of the following:

	<u>2022</u>	<u>2021</u>
Permanent Housing Rents	\$ 36,653	\$ 1,307
Government and Other Grants	436,932	95,514
Other Receivables	-	9,913
Total	\$ 473,585	\$ 106,734

Management does not believe a reserve for uncollected receivables is warranted with the current accounts receivable.

**NOTE C – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

In previous years, City Care transferred a total of \$60,000 to the Communities Foundation of Oklahoma (CFO) and specified itself as the beneficiary of the funds. Annually, distributions from the fund are paid to City Care in accordance with CFO’s spending policy. No distribution was received in 2021 or 2022. The agreement with CFO states that should the purposes for which the fund was created ever become obsolete, incapable of fulfillment or inconsistent with the charitable needs of the community, CFO’s Governing Board of Directors will use the fund for charitable purposes as similar as possible to those set forth in the agreement. CFO maintains legal ownership of the funds; however, accounting principles

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

generally accepted in the United States of America require that City Care reflect its beneficial interest in these assets in its financial statements. The fair value of the assets held by CFO at December 31, 2022 and 2021 was \$66,690 and \$75,323.

In addition to the funds discussed above, CFO maintains other funds that have been contributed by various donors to CFO for the benefit of City Care. These funds are not included as assets of City Care.

In previous years, City Care transferred a total of \$18,206 to the Oklahoma City Community Foundation (OCCF) and specified itself as the beneficiary of the funds. In 2022 City Care transferred \$4,000 in the same way. Annually, distributions from the fund are reinvested in lieu of distribution. City Care's agreement with OCCF states that funds received by OCCF are subject to variance power, described by U.S. Treasury Regulations as the power of the governing board (of OCCF) to modify any donor restrictions as to distributions if they determine them to become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

OCCF maintains legal ownership of the funds; however, accounting principles generally accepted in the United States of America require that City Care reflect its beneficial interest in these assets in its financial statements. The fair value of the assets held by OCCF at December 31, 2022 and 2021 was \$43,829 and \$49,777.

In addition to the funds discussed above, OCCF maintains other funds that have been contributed by various donors to OCCF for the benefit of City Care. These funds are not included as assets of City Care. The earnings from these funds are reinvested in lieu of distribution.

**NOTE D – BUILDINGS, LAND, AND EQUIPMENT**

Buildings, land and equipment consist of the following at December 31, 2022, and 2021:

	<u>2022</u>	<u>2021</u>			
Buildings/Homes/Land	\$ 10,590,086	\$ 10,454,923			
Transportation Equipment	29,590	37,545			
Leasehold Improvements	2,200	2,200			
Machinery and Equipment	56,041	20,506			
Furniture	21,414	21,414			
Total	\$ 10,699,331	\$ 10,536,588			
Accumulated Depreciation	(1,540,955)	(1,324,821)			
	<u>\$ 9,158,376</u>	<u>\$ 9,211,767</u>			

**NOTE E – INVESTMENT IN LIMITED PARTNERSHIPS**

City Care holds a .01% general partnership interest in a limited partnership, Westlawn Gardens LP1 formed to construct and operate two low-income housing projects, constructed with affordable housing tax credits and funds loaned to City Care through the U.S. Department of Housing and Urban Development's HOME Program administered by the City of Oklahoma City and the Affordable Housing Program (AHP) administered by the Federal Home Loan Bank, Topeka. City Care operates and manages the properties for the general partnership interest.

There is no established market value for the underlying limited partnership investments. As such their fair value has been measured using what generally accepted accounting principles refer to as Level 3 inputs.

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

	<u>Westlawn</u>
12-31-20 Fair Value	\$ 32,116
2019 GP Share	-
12-31-21 Fair Value	32,116
2020 GP Share	-
12-31-22 Fair Value	<u>\$ 32,116</u>

The value of the underlying assets of the limited partnership are sufficient for management to believe there is no impairment of the fair value presented as City Care’s investment in limited partnerships.

**NOTE F – LONG-TERM NOTES RECEIVABLE AND ACCRUED INTEREST**

Using a portion of the HOME Program funds and AHP funds described in Note E above, City Care made loans to the limited partnership, organized to provide tax credits to their limited partners, in exchange for capital to construct the low-income housing projects, and holds a first mortgage on each of the properties. A total of \$300,000 was loaned to Westlawn Gardens LP1 (Westlawn). Interest is computed on the unpaid principle and accrued each year. Payment on the loans is to be made only if cash flow allows. Collection of the notes and accrued interest for Westlawn notes and accrued interest is not anticipated. The note and accrued interest continue to be to provide for a future offset for the acquisition by City Care, of the low income facilities owned by the limited partnerships at the conclusion of the tax benefit period for the limited partners. Accrued unpaid interest for the remaining loan to Westlawn Gardens LP1 totals \$300,918 in 2022, and 276,918 in 2021. Management believes that the value of the properties is sufficient for there to be no impairment of stated fair value of the long-term notes receivable, or accrued interest.

**NOTE G – NOTES PAYABLE**

City Care has received loan funds from the City of Oklahoma City under the U.S. Department of Housing and Urban Development’s (HUD) Home Funds Program. Under the provisions of the program, funds are advanced as loans for the construction of low income housing projects. Loan repayment is expected if there is positive cash flow from the properties, or the properties are sold. Beginning in 2002 \$2,746,932 has been loaned to the organization under this program. Additional forgivable loans have been made from other governmental organizations for purposes of developing low income housing projects as follows: \$800,000 through HUD’s Community Development Block Grant; and also through HUD via its National Housing Trust Fund, \$1,671,902 was advanced for a total of \$5,218,834. In addition through the Federal Home Loan Bank under its Affordable Housing Program has made forgivable loans to City Care totaling \$548,694 used for the Pershing Center and Westlawn homes projects. The total of such financing provided to City care is \$5,767,528.

In 2018, a local bank made a loan to City Care in the amount of \$59,297 with a variable interest rate and a balloon payment due in 7 years. Principal payments on this note brought the balance at 12-31-22 to \$47,633 of which \$3,000 of principal is due in the next twelve months. Principal and interest payments of \$487 are due each month.

The loans through the U.S. Department of Housing and Urban Development, and the Federal Home Loan Bank are structured as forgivable with a small interest rate set, but not accrued, payable only if cash flow allows. With each loan there is a set period after which it is either contractually stated or implied that the loans well be forgiven.

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

The following is a schedule showing the year each program loan was made, the basis of repayment, whether forgivable by contract or implied, and the number of years before the loan will be forgiven.

<u>Year</u>	<u>Amount</u>	<u>Total Yrs From Beginning To Be</u>	
		<u>Forgivable</u>	<u>Forgiven</u>
2002	\$ 180,000	Contractual	15
2002	1,429,500	Implied	40
2003	132,649	Implied	20
2004	259,987	Implied	20
2006	147,000	Implied	20
2008	285,999	Implied	20
2009	468,840	Contractual	20
2012	368,695	Contractual	15
2013	22,956	Contractual	20
2016-2015	180,000	Forgiveness	7
2018	950,133	Forgiveness	40
2019	721,769	Forgiveness	40
2021-2020	<u>620,000</u>	Forgiveness	7
	<u>\$ 5,767,528</u>		

Though the notes payable do not require a fixed repayment, and are established to ensure the properties continue to be used to provide low-income housing to the community, the notes represent a contingent liability to City Care.

The most recent loan made through the HUD Community Development Block Grant (noted above) was \$498,421 in 2020. An additional \$121,579 was advanced on this loan in 2021 bringing the total to \$620,000 for the purpose of purchasing and rehabilitating real property for the building of the Night Shelter.

City Care secured funding of a second CARES Act Paycheck Protection Plan forgivable loan in the amount of \$256,900 through the Small Business Administration. The forgiveness for this second loan was granted in 2022.

**NOTE H – ESCROW, LEASE PURCHASES**

One property owned by City Care is part of a program where properties can be offered for lease-purchase to low income households. Portions of the payments received from lease-purchase households attributable to down payments, property taxes and insurance are held in escrow. The balance in escrow at December 31, 2022, is \$31,726 and on December 31, 2021, it was \$30,527.

**NOTE I – DONOR RESTRICTED NET ASSETS**

Donor restricted net assets restricted for use totaled \$417,264 as of December 31, 2022. There were no donor restricted net assets restricted for use as of December 31, 2021.



**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

Donor time restricted net assets of \$110,518 as of December 31, 2022, and \$125,100 as of December 31, 2021, pertain to the fair value of the beneficial interest in securities held by others as described more fully in NOTE C.

**NOTE J - RETIREMENT PLAN**

City Care maintains a 401(k) retirement plan and offers a 5% matching of employee contributions. The amount contributed by City Care for the years ending December 31, 2022 and 2021 was \$36,857 and \$20,976.

**NOTE K - INVESTMENT INCOME**

Investment income is comprised of interest income, and unrealized appreciation/<depreciation> as follows for the years ending 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest Income	\$ 23,865	\$ 4,571
Unrealized <Loss>/Gains	<u>&lt;14,581&gt;</u>	<u>9,552</u>
<b>Total</b>	<u>\$ 9,284</u>	<u>\$ 14,123</u>

**NOTE L – LEASE AND RENTAL COMMITMENTS**

Under the transition rules for adoption of ACS 842 none of the leases engaged in by City Care will be continued beyond 12 months. Certain office equipment is maintained by a vendor under a lease agreement that provides for the vendor to own and maintain the equipment and at the end of the lease period trade the old equipment out for new. The lease expense paid in 2022 for such equipment totaled \$4,171 and will end at the beginning of 2023.

In July of 2022 City Care received the donation of in-kind office space from a local business. The free lease is for 12 months with options to renew. However the landlord is continuing to market the office space to the public at its true value and if a new lease becomes available the lease will not be extended beyond the one year term. Management and the landlord came to an agreement that the value of the office space for the full twelve months is \$215,250 half of which (\$107,625) will apply to the first six months occurring in 2022. As the lease does not extend beyond 12 months it is not being reported as prescribed by ACS 842.

**NOTE M – CONCENTRATIONS & CONTINGENCIES**

Like most not-for-profit organizations, City Care depends on the generosity of individuals, corporate and foundation donors in the central Oklahoma area for a portion of its operating budget. Such donations are always subject to the fluctuation in the local economy. Cash balances are maintained in local banks from time to time in excess of the insured FDIC limits. Management does not feel that this is a significant risk for City Care, Inc. In addition, a portion of City Care’s support comes from grants from federal, state, and local governments and thus are subject to oversight and examination by supporting government agencies. Although not anticipated, such examinations of activities could result in disallowance of certain costs previously reimbursed or supported creating a liability for repayment or a reduction in future support.

**NOTE N – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

**CITY CARE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

As of December 31, 2022 City Care has financial assets and liquidity resources unrestricted for use over the next year available for program and administrative expenditures as follows:

**General Programing and Administration:**

Cash	\$ 944,631
Certificates of Deposit	228,123
Receivables	<u>473,585</u>
	1,646,339
Current Liabilities	<u>&lt; 286,875 &gt;</u>
	<u>\$ 1,359,464</u>



Bell & Rhodes, PC  
Certified Public Accountants  
14220 Barbour Avenue  
Oklahoma City, Oklahoma 73134

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
City Care, Inc.  
Oklahoma City, Oklahoma

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 financial statements of **City Care, Inc.** (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2022, and 2021, and related Statements of Activities and Changes in Net Assets, Cash Flows, and Functional Expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered **City Care, 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 our opinion on the effectiveness of **City Care, Inc.’s** internal control. Accordingly, we do not express an opinion on the effectiveness of **City Care, 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 **City Care, Inc.**'s financial statements are free of material misstatements, 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 statement amounts. However, providing an opinion on noncompliance 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.

*Bell & Rhodes, P. C.*

September 12, 2023



Bell & Rhodes, PC  
Certified Public Accountants  
14220 Barbour Avenue  
Oklahoma City, Oklahoma 73134

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
City Care, Inc.  
Oklahoma City, Oklahoma

### Report on Compliance for Each Major Federal Program

We have audited **City Care, Inc.'s** compliance with the types of compliance requirements described in the *OMB Guidance for Federal Awards Compliance Supplement* that could have a direct and material effect on each of **City Care, Inc.'s** major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of **City Care, Inc.'s** major federal programs based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *OMB's Guidance for Federal Awards*. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City Care, Inc.'s** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **City Care, Inc.'s** compliance.

## Opinion on Each Major Federal Program

**In our opinion City Care, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2022.**

## Report on Internal Control over Compliance

Management of **City Care, Inc.** is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purposes of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **City Care, Inc.'s** internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

*Bell & Rhodes, P. C.*

September 12, 2023

**CITY CARE, INC.**  
**Schedule of Expenditures of Federal and State Awards**  
**December 31, 2022, and 2021**

2022	Federal	Pass-Through	Receipts	Federal
<u>Federal Grantor/Pass-Through Grantor</u> <u>Program Title (Note 1)</u>	<u>CFDA</u> <u>Number</u>	<u>Entity</u> <u>Identifying</u> <u>Number</u>	<u>or Revenue</u> <u>Recognized</u>	<u>Expenditures</u>
<b>Major Programs:</b>				
<b>U.S. Department of Housing and Urban Development</b>				
National Housing Trust Fund Loan Grant (Contract 17 NHTF-106)	14.275	City of OKC	\$ 671,902	\$ 671,902
National Housing Trust Fund Loan Grant (Contract 16 NHTF-102)	14.275	City of OKC	1,000,000	1,000,000
			\$ 1,671,902	\$ 1,671,902
Home Program Loan Funds Received Prior to 2006	14.239	City of OKC	\$ 1,777,933	\$ 1,777,933
Home Program Loan Funds Received in 2006-2015	14.239	City of OKC	968,999	968,999
			\$ 2,746,932	\$ 2,746,932
Supportive Housing Program (CoC)	14.235	City of OKC	\$ 555,500	\$ 555,500
<b>Total Major Programs</b>			<u>\$ 4,974,334</u>	<u>\$ 4,974,334</u>
<b>Non-Major Programs:</b>				
<b>U.S. Department of Housing and Urban Development</b>				
CDBG Program Loan Funds Received in 2015 & 2016	14.218	City of OKC	\$ 180,000	\$ 180,000
CDBG Program Loan Funds Received in 2020 & 2021	14.218	City of OKC	620,000	620,000
			\$ 800,000	\$ 800,000
Emergency Solutions Grant Program-Corona Virus Program ESG-CV	14.231	City of OKC	\$ 656,745	\$ 656,745
Section 8 Project-based Housing Assistance Payments (HAP)	14.195	City of OKC	\$ 118,925	\$ 118,925
Section 8 Housing Choice Vouchers	14.871	City of OKC	\$ 28,674	\$ 28,674
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 6,578,678</u>	<u>\$ 6,578,678</u>
<b>U.S. Department of Health and Human Services</b>				
Temporary Assistance for Needy Families (TANF)	93.558	OK DHS	\$ 159,751	\$ 159,751
National Initiative to Address Covid-19 Health Disparities CDC	93.391	OK DOH	153,853	153,853
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 313,604</u>	<u>\$ 313,604</u>
<b>U.S. Department of Homeland Security (FEMA)</b>				
Emergency Food and Shelter National Board Program (EFSP)	97.024	United Way	\$ 50,652	\$ 50,652
<b>U.S. Department of the Treasury</b>				
Emergency Rental Assistance Program	21.023	Community Cares	\$ 340,000	\$ 340,000
Emergency Rental Assistance Program	21.023	Community Cares Client Assist	39,340	39,340
<b>Total U.S. Department of the Treasury</b>			<u>\$ 379,340</u>	<u>\$ 379,340</u>
<b>Total Federal Awards</b>			<u>\$ 7,322,274</u>	<u>\$ 7,322,274</u>
City of Oklahoma City	NA	NA	\$ 27,959	\$ 27,959
<b>Total All Programs</b>			<u>\$ 7,350,233</u>	<u>\$ 7,350,233</u>
<b>Less Section 8 Rental Income Reported in Program Income</b>			(147,599)	
<b>Less Loan Programs</b>			(5,218,834)	
<b>Total Federal and State Awards Reported on Statement of Activities</b>			<u>\$ 1,983,800</u>	

  

2021	Federal	Pass-Through	Receipts	Federal
<u>Federal Grantor/Pass-Through Grantor</u> <u>Program Title (Note 1)</u>	<u>CFDA</u> <u>Number</u>	<u>Entity</u> <u>Identifying</u> <u>Number</u>	<u>or Revenue</u> <u>Recognized</u>	<u>Expenditures</u>
<b>Major Programs:</b>				
<b>U.S. Department of Housing and Urban Development</b>				
National Housing Trust Fund Loan Grant (Contract 17 NHTF-106)	14.275	City of OKC	\$ 671,902	\$ 671,902
National Housing Trust Fund Loan Grant (Contract 16 NHTF-102)	14.275	City of OKC	1,000,000	1,000,000
			1,671,902	1,671,902
CDBG Program Loan Funds Received in 2015 & 2016	14.218	City of OKC	\$ 180,000	\$ 180,000
CDBG Program Loan Funds Received in 2020 & 2021	14.218	City of OKC	620,000	620,000
			\$ 800,000	\$ 800,000
<b>Total Major Programs</b>			<u>\$ 2,471,902</u>	<u>\$ 2,471,902</u>
<b>Non-Major Programs:</b>				
<b>U.S. Department of Housing and Urban Development</b>				
Home Program Loan Funds Received Prior to 2006	14.239	City of OKC	\$ 1,777,933	\$ 1,777,933
Home Program Loan Funds Received in 2006-2015	14.239	City of OKC	968,999	968,999
			\$ 2,746,932	\$ 2,746,932
Section 8 Project-based Housing Assistance Payments (HAP)	14.195	City of OKC	\$ 134,544	\$ 134,544
Section 8 Housing Choice Vouchers	14.871	City of OKC	\$ 32,476	\$ 32,476
Supportive Housing Program (CoC - Pershing, Grant# G80354)	14.235	City of OKC	\$ 126,462	\$ 126,462
Supportive Housing Program (CoC - Pershing, Grant# G80376)	14.235	City of OKC	187,665	187,665
Supportive Housing Program (Coc - Westlawn, Grant# G80355)	14.235	City of OKC	126,917	126,917
Supportive Housing Program (Coc - Westlawn, Grant# G80377)	14.235	City of OKC	105,689	105,689
			\$ 546,733	\$ 546,733
Emergency Solutions Grant Program (ESG)	14.231	City of OKC	\$ 40,000	\$ 40,000
Emergency Solutions Grant Corona Virus Program (ESG-CV)	14.231	City of OKC	\$ 20,000	\$ 20,000
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 5,992,587</u>	<u>\$ 5,992,587</u>
<b>U.S. Department of Health and Human Services</b>				
Temporary Assistance for Needy Families (TANF)	93.558	OK DHS	\$ 122,446	\$ 122,446
<b>U.S. Department of Homeland Security (FEMA)</b>				
Emergency Food and Shelter National Board Program (EFSP)	97.024	United Way	\$ 12,500	\$ 12,500
<b>U.S. Department of the Treasury</b>				
Emergency Food and Shelter National Board Program (EFSP)	21.023	Community Cares Partner	\$ 100,000	\$ 100,000
<b>Total All Federal Awards</b>			<u>\$ 6,227,533</u>	<u>\$ 6,227,533</u>
City of Oklahoma City SSG Grant	NA	City of OKC	\$ 11,026	\$ 11,026
<b>Total All Federal, State and City Awards</b>			<u>\$ 6,238,559</u>	<u>\$ 6,238,559</u>
<b>Less: Section 8 Rental Assistance reported as Program Rental Income</b>			(167,020)	
<b>Federal Loan Programs</b>			(5,218,834)	
<b>Total Federal and State Awards Reported on The Statement of Activities</b>			<u>\$ 852,705</u>	

**CITY CARE, INC.**  
**Schedule of Findings and Questioned Costs**  
**for the Years Ended December 31, 2022 and 2021**

	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>Part 1 - Summary of Auditor's Results</b>		
<b>Financial Statements</b>		
<b>Report of Independent Auditors</b>	Unqualified	Unqualified
<b>Report on Internal Control Over Financial Reporting</b>		
- Material weakness(es) identified?	None	None
- Reportable condition(s) identified that are not considered to be material weakness(es)?	None	None
<b>Report on Compliance With Requirements Applicable to Each Major Program In Accordance With OMB Uniform Guidance for Federal Awards</b>		
- Material weakness(es) identified?	None	None
- Reportable condition(s) identified that are not considered to be material weakness(es)?	None	None
Type of Auditor's Report Issued	Unqualified	Unqualified
Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	None	None
<b>Major Programs:</b>		
<b>Name of Programs</b>	<b>CFDA #</b>	
<b>2022</b>		
U.S. Department of Housing and Urban Dev. - NHTF	14.275	
U.S. Department of Housing and Urban Dev. - Home Program Loan Funds	14.239	
U.S. Department of Housing and Urban Dev. Supportive Housing	14.235	
<b>2021</b>		
U.S. Department of Housing and Urban Dev. - NHTF	14.275	
U.S. Department of Housing and Urban Dev. - CDBG Program Loan Funds	14.218	
Dollar amount used to distinguish between Type A and Type B Programs	\$ 750,000	\$ 750,000
Auditee qualifies as a low risk auditee?	No	Yes
<b>Part 2 - Financial Statement Findings</b>	None	None
<b>Part 3 - Federal Award Findings and Questioned Costs</b>	None	None



**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS**

**CITY CARE, INC.**

**December 31, 2022, and 2021**

**Note 1 – Basis of Presentation**

**General**

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal grant activity of City Care, Inc. under the programs of the federal government for the years ending December 31, 2022, and 2021. The information in this schedule is presented in accordance with the requirements of (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City Care, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**Non-Cash Benefits**

Assistance to qualified individuals is provided in the form of counseling, food, life-skills, and reading assistance through the various federal grants received by the organization.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3 – Insurance Coverage**

The organization maintains insurance coverage on properties in excess of \$2,000,000.

**Note 4 – Loan Program Grants**

Loan program funds totaling \$5,218,834 have been provided through the U.S. Department of Housing and Urban Development by way of the Home Program, Community Development Block Grants, and the National Housing Trust Fund. These funds were used to develop affordable housing owned or operated by City Care, Inc. There is no repayment requirement for these funds as long as the properties continue to be used in the manner stipulated in the loan grant through the affordability period. Those affordability periods mature as follows:

<u>Amount</u>	<u>Year</u>
\$ 147,000	2026
\$ 468,840	2029
\$ 22,956	2032
\$ 259,988	2024
\$1,429,500	2042

**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS**

**CITY CARE, INC.**

**December 31, 2022, and 2021**

\$ 132,649	2023
\$ 285,999	2028
\$ 180,000	2023
\$1,000,000	2058
\$ 671,902	2059
\$ 620,000	2027

**Note 5 – Indirect Cost Method**

Indirect costs are determined by contractual arrangement with the granting organization. City Care, Inc. does not use the 10% de Minimis indirect cost rate.