

# **Community Action Project of Tulsa County, Inc.**

Tulsa, Oklahoma

Consolidated Financial Statements and  
Supplementary Information  
Years Ended December 31, 2017 and 2016



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Consolidated Financial Statements and Supplementary Information  
Years Ended December 31, 2017 and 2016

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## **Independent Auditor's Report**

Board of Directors  
Community Action Project of Tulsa County, Inc.  
Tulsa, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Community Action Project of Tulsa County, Inc. (a nonprofit organization) and its wholly owned subsidiaries which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The financial statements of Tulsa Community Loan Fund, Inc., Norwood Realty Corporation, Brightwaters Realty Corporation, and Norwood Housing Partners, LP were not audited in accordance with *Government Auditing Standards* as they did not receive federal funding.

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

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Action Project of Tulsa County, Inc. and its wholly owned subsidiaries as of December 31, 2017 and 2016, 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.

## Other Matters

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and other awards, Schedules A-1 to A-2, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Schedules B and C are presented for purposes of additional analysis, and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 May 10, 2018, on our consideration of Community Action Project of Tulsa County, 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 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 Community Action Project of Tulsa County, Inc.'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 Community Action Project of Tulsa County, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

May 10, 2018  
Madison, Wisconsin

# Community Action Project of Tulsa County, Inc.

## Consolidated Statements of Financial Position

December 31, 2017 and 2016

<i>Assets</i>	2017	2016
Current assets:		
Cash and cash equivalents	\$ 22,372,691	\$ 19,545,539
Certificates of deposit	12,412,380	17,545,907
Restricted cash	348,535	344,539
Accounts receivable	4,150,519	4,159,561
Promises to give	2,165,000	0
Accounts receivable, related parties, net	41,301	31,394
Notes receivable, related parties, current portion	148,819	140,987
Prepaid expenses	530,547	605,519
<b>Total current assets</b>	<b>42,169,792</b>	<b>42,373,446</b>
Other assets:		
Investments	254,943	236,223
Escrow funds	17,908,487	19,749,964
Investment in partnership	267,586	267,622
Maintenance deposit	2,000,000	2,500,000
Notes and interest receivable, related parties, net	6,667,256	6,142,020
<b>Total other assets</b>	<b>27,098,272</b>	<b>28,895,829</b>
Property and equipment, net	2,206,287	1,820,924
<b>TOTAL ASSETS</b>	<b>\$ 71,474,351</b>	<b>\$ 73,090,199</b>
<b><i>Liabilities and Net Assets</i></b>		
Current liabilities:		
Notes payable, current portion	\$ 0	\$ 4,113,033
Accounts payable	2,736,222	2,227,086
Accrued payroll and related liabilities	1,895,669	1,781,629
Grant funds received in advance	6,781,577	6,436,413
<b>Total current liabilities</b>	<b>11,413,468</b>	<b>14,558,161</b>
Long-term liabilities:		
Due to funding source	1,992,802	1,992,802
Accrued interest payable	0	30,662
Notes payable	4,300,000	4,300,000
<b>Total long-term liabilities</b>	<b>6,292,802</b>	<b>6,323,464</b>
<b>Total liabilities</b>	<b>17,706,270</b>	<b>20,881,625</b>
Net assets:		
Unrestricted net assets:		
Unrestricted	18,828,622	16,014,330
Board designated - Maintenance deposit	2,000,000	2,500,000
Board designated - Operating reserve	12,009,485	12,275,000
<b>Total unrestricted net assets</b>	<b>32,838,107</b>	<b>30,789,330</b>
Temporarily restricted	19,819,077	20,057,247
Permanently restricted	1,110,897	1,361,997
<b>Total net assets</b>	<b>53,768,081</b>	<b>52,208,574</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 71,474,351</b>	<b>\$ 73,090,199</b>

See accompanying notes to consolidated financial statements.

# Community Action Project of Tulsa County, Inc.

## Consolidated Statements of Activities

Years Ended December 31, 2017 and 2016

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Revenue:</b>				
Grants and contracts	\$ 44,973,119	\$ 0	\$ 0	\$ 44,973,119
Investment income	625,022	131,672	0	756,694
Program income	3,936,916	0	0	3,936,916
Donations	73,536	2,165,000	0	2,238,536
Rental income	196,165	0	0	196,165
In-kind contributions	350,829	0	0	350,829
Net assets released from restriction	2,785,942	( 2,534,842)	( 251,100)	0
<b>Total revenue</b>	<b>52,941,529</b>	<b>( 238,170)</b>	<b>( 251,100)</b>	<b>52,452,259</b>
<b>Expenses:</b>				
Salaries and benefits	28,112,961	0	0	28,112,961
Occupancy	2,787,515	0	0	2,787,515
Services provided	624,969	0	0	624,969
Grant expenses	532,000	0	0	532,000
Telephone	126,283	0	0	126,283
Postage	6,793	0	0	6,793
Supplies	3,884,275	0	0	3,884,275
Small equipment	532,686	0	0	532,686
Advertising	185,115	0	0	185,115
Professional/consulting	726,733	0	0	726,733
Contracted services	11,376,699	0	0	11,376,699
Repairs and maintenance	241,791	0	0	241,791
Insurance	176,635	0	0	176,635
Transportation and travel	255,833	0	0	255,833
Development and training	399,764	0	0	399,764
In-kind expenses	350,829	0	0	350,829
Interest	64,010	0	0	64,010
Depreciation	291,417	0	0	291,417
Provision for doubtful accounts and bad debt expense	147,109	0	0	147,109
Other	69,335	0	0	69,335
<b>Total expenses</b>	<b>50,892,752</b>	<b>0</b>	<b>0</b>	<b>50,892,752</b>
Changes in net assets	2,048,777	( 238,170)	( 251,100)	1,559,507
Net assets at beginning of year	30,789,330	20,057,247	1,361,997	52,208,574
<b>Net assets at end of year</b>	<b>\$ 32,838,107</b>	<b>\$ 19,819,077</b>	<b>\$ 1,110,897</b>	<b>\$ 53,768,081</b>

See accompanying notes to consolidated financial statements.

# Community Action Project of Tulsa County, Inc.

## Consolidated Statements of Activities (Continued)

Years Ended December 31, 2017 and 2016

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Revenue:</b>				
Grants and contracts	\$ 44,161,585	\$ 0	\$ 0	\$ 44,161,585
Investment income	618,623	10,525	0	629,148
Program income	3,550,959	0	0	3,550,959
Donations	92,981	0	0	92,981
Rental income	203,734	0	0	203,734
Gain on disposal of property and equipment	13,500	0	0	13,500
In-kind contributions	529,558	0	0	529,558
Net assets released from restriction	1,267,404	( 1,127,904)	( 139,500)	0
<b>Total revenue</b>	<b>50,438,344</b>	<b>( 1,117,379)</b>	<b>( 139,500)</b>	<b>49,181,465</b>
<b>Expenses:</b>				
Salaries and benefits	26,686,754	0	0	26,686,754
Occupancy	2,728,865	0	0	2,728,865
Services provided	452,201	0	0	452,201
Grant expenses	554,500	0	0	554,500
Telephone	156,198	0	0	156,198
Postage	6,908	0	0	6,908
Supplies	3,557,619	0	0	3,557,619
Small equipment	58,156	0	0	58,156
Advertising	226,040	0	0	226,040
Professional/consulting	907,215	0	0	907,215
Contracted services	10,671,768	0	0	10,671,768
Repairs and maintenance	219,121	0	0	219,121
Insurance	192,989	0	0	192,989
Transportation and travel	271,693	0	0	271,693
Development and training	429,928	0	0	429,928
In-kind expenses	529,558	0	0	529,558
Interest	115,347	0	0	115,347
Depreciation	389,507	0	0	389,507
Provision for doubtful accounts and bad debt expense	141,487	0	0	141,487
Other	88,680	0	0	88,680
<b>Total expenses</b>	<b>48,384,534</b>	<b>0</b>	<b>0</b>	<b>48,384,534</b>
Changes in net assets	2,053,810	( 1,117,379)	( 139,500)	796,931
Net assets at beginning of year	28,735,520	21,174,626	1,501,497	51,411,643
<b>Net assets at end of year</b>	<b>\$ 30,789,330</b>	<b>\$ 20,057,247</b>	<b>\$ 1,361,997</b>	<b>\$ 52,208,574</b>

# Community Action Project of Tulsa County, Inc.

## Consolidated Statements of Cash Flows

Years Ended December 31, 2017 and 2016

	2017	2016
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 1,559,507	\$ 796,931
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	291,417	389,507
Provision for doubtful accounts	147,109	141,487
Gain on disposition of property and equipment	0	( 13,500)
Change in investment in partnership	36	38
Net realized and unrealized gain on investments and escrow funds	( 18,844)	( 8,387)
Interest accrued on notes receivable	( 146,427)	( 141,039)
Changes in operating assets and liabilities:		
Restricted cash	( 3,996)	( 6,475)
Accounts receivable	( 865)	4,314,252
Promises to give	( 2,165,000)	0
Prepaid expenses	74,972	19,453
Accounts payable	317,960	( 1,090,310)
Accrued payroll and related liabilities	114,040	161,371
Accrued interest payable	( 30,662)	22,653
Grant funds received in advance	345,164	( 6,888,169)
Net cash provided by (used in) operating activities	484,411	( 2,302,188)
Cash flows from investing activities:		
Withdrawals and proceeds from sale of investments in escrow funds	1,963,096	19,409,474
Purchase of investments in escrow funds	( 121,495)	( 18,501,575)
Purchase of certificates of deposit	( 10,764,084)	( 11,595,490)
Redemption of certificates of deposit	15,897,611	13,107,175
Purchase of property and equipment	( 485,604)	( 51,161)
Collections on notes receivable, related parties	116,250	108,373
Issuance of notes receivable, related parties	( 650,000)	0
Approved maintenance deposit withdrawal	500,000	0
Proceeds from sale of investments	0	2,081,280
Purchase of investments	0	( 2,082,486)
Net cash provided by investing activities	6,455,774	2,475,590
Cash flows from financing activities:		
Payments on notes payable	( 4,113,033)	( 86,967)
Proceeds from notes payable	0	2,000,000
Net cash (used in) provided by financing activities	( 4,113,033)	1,913,033
Changes in cash and cash equivalents	2,827,152	2,086,435
Cash and cash equivalents at beginning of year	19,545,539	17,459,104
Cash and cash equivalents at end of year	\$ 22,372,691	\$ 19,545,539
<b>Supplemental schedule of other cash activity:</b>		
Interest paid	\$ 69,415	\$ 57,024
Purchase of property and equipment included in accounts payable	191,176	0

See accompanying notes to consolidated financial statements.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

Community Action Project of Tulsa County, Inc. (CAP Tulsa) is a 501(c)(3) entity organized as a nonprofit corporation in 1973. CAP Tulsa's mission is to help individuals and families in need achieve self-sufficiency. These activities are performed through a variety of programs in Tulsa County and through program providers in surrounding counties. CAP Tulsa is primarily supported through federal, state, and local grants.

Tulsa Community Loan Fund, Inc. (TCLF) is a 501(c)(3) entity formed to lend needed funds to other nonprofits serving low-income individuals.

Norwood Realty Corporation (NRC) and Brightwaters Realty Corporation (BRC) are wholly owned subsidiaries of CAP Tulsa formed to act as general partners in limited partnerships.

Norwood Housing Partners, LP (NHP) is a limited partnership of which CAP Tulsa owns 99.9% and NRC owns the remaining .1%. NHP was formed to own and operate a low-income housing project. CAP Tulsa became the 99.9% owner effective January 1, 2012.

#### **Basis of Presentation**

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of CAP Tulsa, NRC, BRC, TCLF, and NHP (the "Organizations"). CAP Tulsa and TCLF have common Board members and management. All intercompany transactions and balances have been eliminated for consolidated financial statement purposes.

#### **Classification of Net Assets**

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution. The Board of Directors has designated certain unrestricted net assets for the maintenance deposit for maintenance needs at early childhood program sites leased by CAP Tulsa, and an operating reserve to provide support in the case of a loss in short-term funding.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Classification of Net Assets (Continued)**

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. The Neighborhood Reinvestment Revolving Loan and Capital Projects Fund, which grants home ownership and improvement loans, and Tulsa Community Foundation (TCF) funds are permanently restricted net assets. The initial funds must be maintained in perpetuity or until released from restriction by the donor. The interest and investment income related to the Neighborhood Reinvestment funds is unrestricted and the net appreciation/ depreciation related to the TCF funds is temporarily restricted in accordance with the Uniform Prudent Management of Institutional Funds Act.

#### **Use of Estimates**

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of money market investments, repurchase agreements, and commercial paper with original maturities of 90 days or less.

#### **Certificates of Deposit**

Certificates of deposit are stated at cost, which approximates fair value.

#### **Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

Program income represents amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. Some contributions augment grant funds received for specific programs and are recorded as temporarily restricted until released through usage in the specific program. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other program income not specifically associated with a grant are recorded as unrestricted in the period earned.

Rental income represents income received from various sources for use of property or space owned by NHP. This income is recognized in the period in which it is earned.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

#### **A. Grant Awards That Are Contributions**

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received, if any, in excess of expenses or asset acquisitions are reflected as grant funds received in advance.

#### **B. Grant Awards That Are Exchange Transactions**

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

#### **In-Kind Contributions**

CAP Tulsa recognizes in-kind contributions for space, donated materials, and professional services in the consolidated statements of activities in accordance with a financial accounting standard related to accounting for contributions received and contributions made. CAP Tulsa recognized in-kind contributions of \$350,829 and \$529,558 during 2017 and 2016. This standard requires that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of CAP Tulsa's grant awards. CAP Tulsa has received contributions of nonprofessional volunteers in the amount of \$249,540 and \$235,011 during 2017 and 2016, predominantly in the Head Start programs, which are not recorded on the consolidated statements of activities.

#### **Investments and Escrow Funds**

Investments and escrow funds are recorded at fair value as determined in an active market. Realized and unrealized gains and losses are recognized in investment income in the consolidated statements of activities. Investments held by TCF represent funds transferred to a recipient organization for which CAP Tulsa is the sole beneficiary.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Investment in Partnership**

BRC's investment in Brightwaters Housing Partners, L.P. (BHP) is accounted for on the equity method due to being a general partner in the partnership. The equity method of accounting is discontinued when the company's share of losses equal the carrying value of its investment.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable consist primarily of federal, state, and other grant awards and related-party receivables. The Organizations analyze the receivables and record an allowance that management believes will reserve for possible losses on existing receivables that may become uncollectible. The evaluations take into consideration such factors as changes in creditworthiness, evaluations of the collectability, prior loss experience, and current economic conditions. An account is considered uncollectible when all collection efforts prove worthless.

#### **Promises to Give**

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Pledges and other promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts. Management has determined that no allowance was necessary.

#### **Notes and Interest Receivable, Related Parties and Allowance for Doubtful Accounts**

Notes and interest receivable, related parties include amounts from BHP and Tulsa Children's Coalition (TCC), and are stated at the unpaid principal and interest balance. The Organizations analyze the notes and interest receivable and record an allowance for those amounts which management believes will reserve for possible losses on existing notes and interest receivable that may become uncollectible. The evaluations take into consideration such factors as changes in the customer's creditworthiness, evaluations of the collectability, prior loss experience, and current economic conditions.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Forgivable Loans**

CAP Tulsa operates a program that provides forgivable loans for down payment, closing cost, and rehabilitation assistance to low-income home or property owners. The forgivable loans are not recorded in these consolidated financial statements on the basis that, historically, the vast majority of the loans have been forgiven. Any forgivable loans repaid are recognized as revenue when received and reused for program purposes. The loan receivables are collateralized by the participant's home. The balance of forgivable loans receivable and payable was \$13,271 and \$64,594 as of December 31, 2017 and 2016.

#### **Property and Equipment**

Property and equipment purchased are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Property and equipment are items with a cost of \$5,000 or more and have a useful life of more than one year. Leasehold improvements are recorded at cost and amortized using the straight line method over the shorter of the useful life or lease term.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, CAP Tulsa reports expiration of donor restrictions when the donated asset is placed in service and reclassifies temporarily restricted assets to unrestricted.

Property and equipment improvements acquired with grant funds are owned by CAP Tulsa while used in the programs for which they were purchased or in other future authorized programs. However, the funding source has a reversionary interest in assets purchased with grant funds. Their disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The book value of grant-funded property and equipment is \$52,763 and \$120,295 at December 31, 2017 and 2016.

#### **Income Taxes/Uncertain Tax Positions**

CAP Tulsa and TCLF are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Oklahoma tax law. The regulations provide tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

NRC, and BRC are taxable corporations. Income or loss is reported on their income tax returns. There were no taxes paid for the years ended December 31, 2017 and 2016. Deferred taxes have not been provided for as they are not material to the consolidated financial statements.

NHP is a limited partnership. Any income or loss is passed through to the equity partners and reported on their income tax returns.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Indirect Cost Rate**

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all of CAP Tulsa's programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate of 33.2% of direct salaries and wages has been approved by the U.S. Department of Health and Human Services (DHHS). A provisional indirect cost rate is based upon the projected costs of CAP Tulsa for the fiscal year under consideration. CAP Tulsa adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval at which time the indirect cost rate becomes final. Any adjustments to the rate will be reflected in the financial statements when the rate is finalized.

#### **Advertising Costs**

Advertising costs are expensed as incurred in the consolidated statements of activities.

#### **Reclassification**

A portion of the 2016 balance for long term debt has been reclassified to current debt to reflect the payment of such debt in 2017. There was no effect on net assets or the change in net assets.

### **Note 2: Concentration of Credit Risk**

The Organizations maintain a portion of their cash balances in several banks and investment firms. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and amounts at each investment firm are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. The Organizations' cash balances at times exceed insured limits as designated by the FDIC and SIPC. Management has assessed the risk of potential loss due to these concentrations and feels that the risk is minimal.

The Organizations maintain a portion of their cash balances in an overnight Eurodollar sweep account. This account is not insured. The portion of the Organizations' cash balance related to Neighborhood Reinvestment funds are maintained in bank accounts covered by FDIC insurance.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### Note 3: Escrow Funds

In accordance with a multi-party memorandum of understanding, CAP Tulsa has set up an escrow fund to hold cash in the form of money market funds and investments received for the benefit of the early childhood programs. The escrow fund is to be managed by CAP Tulsa and used to support the operational costs of 26 classrooms. Tulsa Educare, Inc. (TEI) is entitled to a proportionate amount of the escrow funds to support 16 of those 26 classrooms and CAP Tulsa has the ultimate discretion for the distribution to TEI (see note 15). The remaining balance is to be used to support 10 classrooms operated by CAP Tulsa. The balance and make-up of the escrow funds as of December 31 are as follows:

	2017	2016
Money market funds	\$ 45,899	\$ 1,280,624
U.S. treasury bills	6,890,358	10,481,850
Fixed income securities	10,972,230	7,987,490
<u>Totals</u>	<u>\$ 17,908,487</u>	<u>\$ 19,749,964</u>

### Note 4: Restricted Cash

Restricted cash consisted of the following as of December 31:

	2017	2016
Tenant security deposits	\$ 8,241	\$ 8,238
Replacement reserve	340,294	336,301
<u>Totals</u>	<u>\$ 348,535</u>	<u>\$ 344,539</u>

### Note 5: Investments

The Organizations maintain investment accounts with an investment firm. The investments are carried at fair value. As of December 31, investments consist of the following:

	2017	2016
Preferred stock	\$ 49,321	\$ 48,653
Investments with Tulsa Community Foundation	205,622	187,570
<u>Totals</u>	<u>\$ 254,943</u>	<u>\$ 236,223</u>

The Organizations' total investment income, which includes activity from investments, escrow funds, and interest on notes receivable, as of December 31, was as follows:

	2017	2016
Interest and dividends	\$ 287,995	\$ 151,347
Interest on notes receivable, related parties	449,855	469,414
Realized and unrealized gains	18,844	8,387
<u>Totals</u>	<u>\$ 756,694</u>	<u>\$ 629,148</u>

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

### Note 6: Fair Value Measurements

Financial accounting standards related to fair value measurements describe a fair value hierarchy that includes three levels of inputs to be used to measure fair value. In general, the Organizations measure fair values determined by Level 1 inputs utilizing quoted market prices in active markets and fair values determined by Level 2 inputs utilizing market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 inputs utilize market value of the underlying assets, consisting mainly of securities which are valued based on quoted market prices, based on recent trading activity and other observable market data.

Information regarding the fair value measurements of assets measured on a recurring basis as of December 31, is as follows:

	2017			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets:				
Escrow money market funds	\$ 45,899	\$ 0	\$ 0	\$ 45,899
Escrow U.S. treasury bills	6,890,358	0	0	6,890,358
Escrow fixed income securities	10,972,230	0	0	10,972,230
Preferred stock - Domestic	49,321	0	0	49,321
Investments with Tulsa Community Foundation	0	0	205,622	205,622
<b>Totals</b>	<b>\$ 17,957,808</b>	<b>\$ 0</b>	<b>\$ 205,622</b>	<b>\$ 18,163,430</b>

	2016			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets:				
Escrow money market funds	\$ 1,280,624	\$ 0	\$ 0	\$ 1,280,624
Escrow U.S. treasury bills	10,481,850	0	0	10,481,850
Escrow fixed income securities	7,987,490	0	0	7,987,490
Preferred stock - Domestic	48,653	0	0	48,653
Investments with Tulsa Community Foundation	0	0	187,570	187,570
<b>Totals</b>	<b>\$ 19,798,617</b>	<b>\$ 0</b>	<b>\$ 187,570</b>	<b>\$ 19,986,187</b>

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

### Note 6: Fair Value Measurements (Continued)

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured at cost, which approximates fair value.
- U.S. treasury bills, fixed income securities, and preferred stock securities are valued at quoted market prices.
- Investments with Tulsa Community Foundation are valued based on the market value of the underlying assets, consisting mainly of equity securities and fixed income securities which are valued based on quoted market prices based on recent trading activity and other observable market data.

Following is a description of the changes in Level 3 fair value measurements measured on a recurring basis:

	2017	2016
Balance at beginning	\$ 187,570	\$ 177,045
Unrealized gain	18,052	11,685
Sales	0	( 1,160)
<u>Balance at end</u>	<u>\$ 205,622</u>	<u>\$ 187,570</u>

There were no assets or liabilities measured on a non-recurring basis during 2017 or 2016.

### Note 7: Accounts Receivable

Accounts receivable as of December 31, consist of the following amounts:

	2017	2016
Federal grants and contracts	\$ 1,056,350	\$ 2,368,602
State grants and contracts	2,986,166	1,427,953
Other grants and contracts	17,333	8,667
<u>Miscellaneous</u>	<u>90,670</u>	<u>354,339</u>
<u>Accounts receivable</u>	<u>\$ 4,150,519</u>	<u>\$ 4,159,561</u>

### Note 8: Unconditional and Conditional Promises to Give

At December 31, 2017, CAP Tulsa has \$2,165,000 in unconditional pledges receivable which are expected to be collected in 2018, and therefore no discount to present value was necessary. The proceeds from the pledges are to be used for renovations of a new office headquarters.

In 2017, CAP Tulsa received a conditional promise to give in the amount of \$1,000,000, which is conditional on whether CAP Tulsa is successful in raising the remaining balance needed for the renovation project. CAP Tulsa also received a conditional promise to give to contribute a portion of a building to be used as the headquarters if fundraising, renovation, and other contractual conditions are met. These amounts are not recorded on the consolidated statements of financial position as of December 31, 2017, due to CAP Tulsa not yet satisfying the conditions of the promises to give.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

### Note 9: Accounts Receivable, Related Parties

Accounts receivable, related parties as of December 31, consist of the following amounts:

	2017	2016
Brightwaters Housing Partners, L.P.	\$ 109,363	\$ 108,755
Brightwaters Realty Corp.	36,084	27,434
Norwood Realty Corp.	2,600	1,951
Subtotals	148,047	138,140
Allowance for doubtful accounts	( 106,746)	( 106,746)
Accounts receivable, related parties, net	\$ 41,301	\$ 31,394

### Note 10: Notes and Interest Receivable, Related Parties

Notes and interest receivable at December 31, consist of the following:

	2017	2016
<b>CAP Tulsa</b>		
Note receivable with BHP, with an interest rate of 4.7%, due January 1, 2035. The note is secured by Brightwaters Housing Complex. This loan was made from an advance from the City of Tulsa as described in Note 13 and is repayable to the funding source when repaid.	\$ 320,000	\$ 320,000
Note receivable with BHP, with an interest rate of 4.7%, due January 1, 2035. The note is secured by Brightwaters Housing Complex.	300,000	300,000
Note receivable with BHP, with an interest rate of 4.7%, due January 1, 2035. The note is secured by Brightwaters Housing Complex.	845,000	845,000
Note receivable with BHP, with an interest rate of 4.33%, due January 1, 2035. The note is secured by Brightwaters Housing Complex.	86,101	86,101
Note receivable with BHP, with an interest rate of 3.56%, due June 30, 2044. The note is secured by Brightwaters Housing Complex. This loan was made from an advance from the City of Tulsa as described in Note 13 and is repayable to the funding source when repaid.	602,750	602,750
Note receivable with TCC, with no interest, due June 1, 2031. The note is secured by a \$4,000,000 irrevocable letter of credit (See Note 22).	650,000	0
Interest receivable from notes receivable with BHP. No payments of interest are required until maturity.	1,341,553	1,194,444

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

### Note 10: Notes and Interest Receivable, Related Parties (Continued)

	2017	2016
<b>TCLF</b>		
Note receivable with BHP, with an interest rate of 4.7%, due January 1, 2035. Monthly payments of principal and interest are made from available cash. The note is secured by Brightwaters Housing Complex.	\$ 10,660	\$ 10,660
Note receivable and interest receivable with BHP, with an interest rate of 7.05%, due January 1, 2035. Interest and principal payments are payable monthly. The note is secured by Brightwaters Housing Complex.	4,001,564	4,118,496
Total notes and interest receivable	8,157,628	7,477,451
Allowance for doubtful accounts	( 1,341,553)	( 1,194,444)
Notes and interest receivable, net	6,816,075	6,283,007
Current portion	( 148,819)	( 140,987)
Notes and interest receivable, long-term	\$ 6,667,256	\$ 6,142,020

All of the loans receivable listed in Note 10 are from related parties and are considered in the related party loan class for evaluation purposes. CAP Tulsa regularly evaluates various attributes of loans to determine the appropriateness of the allowance for doubtful accounts. CAP Tulsa's only class of loans is related party which is generally evaluated based on whether the loan is performing according to the contractual terms of the loan or not. CAP Tulsa has not identified any loans that are nonperforming. In addition, CAP Tulsa has not identified any loans that are past due according to the contractual terms; therefore, no loans have been placed on nonaccrual status. CAP Tulsa has not had to grant any concessions to the borrowers as troubled debt restructurings due to financial difficulties and has not individually evaluated certain loans for impairment. The allowance for doubtful accounts described below relates to loans evaluated collectively for collectability and relates primarily to accrued interest earned but unpaid.

Summarized activity in the allowance for doubtful accounts for the years ended December 31, follows:

	2017	2016
Balance at beginning	\$ 1,194,444	\$ 1,052,957
Provision for doubtful accounts	147,109	141,487
Balance at end	\$ 1,341,553	\$ 1,194,444

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

### Note 11: Property and Equipment

The balance at December 31 consists of the following:

	2017	2016
Land	\$ 111,767	\$ 111,767
Building and improvements	3,543,034	3,529,462
Technology/website	374,605	53,276
Equipment	651,242	835,471
Construction/projects in process	273,524	0
Subtotals	4,954,172	4,529,976
Accumulated depreciation	( 2,747,885)	( 2,709,052)
<b>Property and equipment, net</b>	<b>\$ 2,206,287</b>	<b>\$ 1,820,924</b>

Construction/projects in process at December 31, 2017, consists of architectural fees and costs for a software system that was in process as of December 31, 2017.

### Note 12: Notes Payable

The balance at December 31, consists of the following:

	2017	2016
Note payable to a bank with no interest unless the loan is in default, then a rate of 2%. The note is forgivable at the end of 15 years in December 2019, if the Brightwaters Apartment Complex maintains its low-income focus for the compliance period.	\$ 300,000	\$ 300,000
Note payable to a family foundation with no interest unless the loan is in default. No principal or interest payments until 2021. Monthly principal only payments of \$33,613 begin July 1, 2021 through May 31, 2031. The note is secured by a \$4,000,000 irrevocable letter of credit.	4,000,000	4,000,000
Promissory note to a family trust with interest at the applicable 30-day London InterBank Offered Rate (LIBOR) plus 0.875% calculated monthly for the subsequent month. Principal payment was not due until maturity and interest was payable quarterly. This note matured June 30, 2017. The note was secured by Brightwaters Apartment Complex.	0	4,113,033
<b>Total notes payable</b>	<b>\$ 4,300,000</b>	<b>\$ 8,413,033</b>

Future maturities of notes payable are as follows: \$300,000 due in 2019, \$201,678 due in 2021, \$403,356 due in 2022, and \$3,394,966 due after 2022.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### Note 13: Due to Funding Source

CAP Tulsa received amounts totaling \$320,000, \$1,070,052 and \$602,750 from the City of Tulsa during the years ended December 31, 2004, 2012, and 2014. The cumulative funds received as of December 31, 2017 was \$1,992,802. The funds loaned and outstanding to BHP and NHP are as follows:

	<b>2017</b>	<b>2016</b>
BHP	\$ 922,750	\$ 922,750
NHP	1,070,052	1,070,052
<u>Due to funding source</u>	<u>\$ 1,992,802</u>	<u>\$ 1,992,802</u>

The loans are secured by the properties in each complex. The CAP Tulsa note receivable from NHP is eliminated in consolidation. When BHP and NHP repay the notes receivable, the funds will be returned to the City of Tulsa.

### Note 14: Grant Funds Received in Advance

Grant funds received in advance represents grant funding received from federal, state, and local funding sources for which allowable expenses have not been incurred or program services have not been provided. The revenue will be earned in the period in which the expenses occur or the services are provided.

Grant funds received in advance consist of the following at December 31:

	<b>2017</b>	<b>2016</b>
State/local – Oklahoma Early Childhood Program match	\$ 6,207,852	\$ 5,926,859
State/local – Other	573,725	509,554
<u>Total grant funds received in advance</u>	<u>\$ 6,781,577</u>	<u>\$ 6,436,413</u>

### Note 15: Commitments and Contingencies

In the normal course of business, CAP Tulsa receives grants from various governmental and private agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with grant conditions. Any potential liability for reimbursement, which may arise as a result of such audits, is not believed, by CAP Tulsa's management, to be material.

CAP Tulsa provides various services to residents in the Tulsa area. CAP Tulsa receives a substantial amount of its support from government agencies. A significant reduction in the level of this support may have an adverse effect on CAP Tulsa's programs and activities.

CAP Tulsa is also listed as a co-borrower on three TCC notes to the Pearl M. and Julia J. Harmon Foundation with initial loan amounts totaling \$6,340,000. Two of the notes are at 2% interest and mature December 1, 2019. The third note is at 1% interest and matures July 2025. The proceeds of all three notes were used to finance construction of three new early childhood program facilities, which are leased back to CAP Tulsa for early childhood programs.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### Note 15: Commitments and Contingencies (Continued)

The notes are all secured by irrevocable letters of credit issued for the account of both organizations and the contingent reimbursement obligations under the letter of credit secured by real estate mortgages granted by TCC on the underlying early childhood facilities. Payments by TCC on the notes are current and CAP Tulsa does not expect to have to make any payments as a co-borrower. The total outstanding loan balances for these three notes at December 31, 2017 and 2016, are \$1,099,229 and \$1,457,608.

CAP Tulsa has a grant with the State of Oklahoma for the Oklahoma Early Childhood Program. As of December 31, 2017, the grant was for \$10,500,000 and required a \$15,750,000 match. The grant is ongoing as of December 31, 2017. CAP Tulsa believes that the match requirement will be met by the end of the grant year of June 30, 2018.

CAP Tulsa entered into an agreement with the University of Oklahoma for a program quality evaluation for its early childhood program. The contract was ongoing at the end of the year and CAP Tulsa had a contract commitment of \$102,835 at December 31, 2017. CAP Tulsa entered into an agreement for architectural services. The contract was ongoing at the end of the year and CAP Tulsa had a contract commitment of \$92,732 at December 31, 2017.

CAP Tulsa entered into a memorandum of understanding in relation to the Tulsa Early Childhood Stimulus Project (TECS) with several parties. One of the stipulations of this agreement is that CAP Tulsa serve as the fiscal management agent for the funds available under this agreement. CAP Tulsa has agreed to escrow these funds and manage the disbursement for qualified expenses to TEI. CAP Tulsa's commitment to TEI as of December 31, 2017, is \$10,555,678.

### Note 16: Operating Leases and Maintenance Deposit

CAP Tulsa leases buildings and equipment for offices and operations under operating leases. Total building and equipment rental expense for the years ended December 31, 2017 and 2016, was \$1,426,006 and \$1,647,702. At December 31, 2017, future minimum lease payments under all leases are as follows:

2018	\$ 500,754
2019	79,559
<hr/>	
Total	\$ 580,313

CAP Tulsa also entered into an agreement with a related party (see note 22) whereby CAP Tulsa provided a maintenance deposit for capital and maintenance needs at early childhood program sites leased by CAP Tulsa. This amount is accounted for on the consolidated statements of financial position as a deposit asset due to the contractual arrangement to perform specified maintenance activities and capital improvements. The balance was \$2,000,000 as of December 31, 2017 and \$2,500,000 as of December 31, 2016.

### Note 17: Employee Retirement Plan

CAP Tulsa has a contributory tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. Employees are eligible to participate in the plan at the beginning of their employment with CAP Tulsa. Employer contributions begin as soon as the employee enrolls in the plan and are fully vested at that time. CAP Tulsa's discretionary contribution for the years ended December 31, 2017 and 2016, was \$369,800 and \$345,427.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

### Note 18: Investment in Partnership

The investments in BHP is recorded under the equity method due to the general partner status in the partnership. The activity in the real estate partnership is as follows:

Partnership	Percentage Ownership	Balance 12/31/16	Share of Income (Losses) for 2017	Investment in and Change in Advances	Impairment	Balance 12/31/17
Brightwaters Housing Partners, L.P.	.01%	\$267,622	(\$ 36)	\$ 0	\$ 0	\$267,586

Partnership	Percentage Ownership	Balance 12/31/15	Share of Income (Losses) for 2016	Investment in and Change in Advances	Impairment	Balance 12/31/16
Brightwaters Housing Partners, L.P.	.01%	\$267,660	(\$ 38)	\$ 0	\$ 0	\$267,622

The aggregate financial status and activity (without any required eliminating entries) of the partnership, as of and for the year ended December 31, are as follows:

	2017	2016
Assets	\$ 7,050,944	\$ 7,369,472
Less - Liabilities	7,788,783	7,734,942
Equity (deficit)	(\$ 737,839)	(\$ 365,470)
Net loss	(\$ 372,369)	(\$ 371,587)

CAP Tulsa has determined that the partnership above is a variable interest entity. CAP Tulsa participated significantly in the design of the limited partnership and the operation of the partnership is subject to regulatory constraints by state and federal authorities which place significant limitations on the decision making options of the general partner.

In addition, CAP Tulsa has determined that it is not the primary beneficiary of this variable interest entity as the limited partner either absorbs a majority of the variable interest entity's expected losses, receives a majority of the expected returns, or both. The limited partner performs significant operational responsibilities indicating that it is involved in oversight of the partnership.

### Note 19: Functional Classification of Expenses

A description of each functional classification category is listed below.

Early childhood education programs: CAP Tulsa early childhood education programs help very young children develop memory and language, self-control and judgment, reasoning and problem solving abilities, along with math and reading skills. The programs include center-based and home-based services for qualifying families.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### Note 19: Functional Classification of Expenses (Continued)

Community development/housing: Housing and related services are provided to income eligible individuals through subsidiaries and limited partnerships. During the audit report period, the activities included Brightwaters Housing Partners, L.P. and Norwood Housing Partners, LP.

Family advancement: CAP Tulsa family advancement programs help families work toward providing a secure future through academic skills, career training, college preparation and career coaching services.

Child care: CAP Tulsa offers extended care services at five early childhood school locations.

Innovation and research: Innovation Lab brings research and ideas together to improve how CAP Tulsa helps families achieve economic self-sufficiency. Internal and external partners are joined to develop and launch pilot initiatives that benefit low-income families.

Fund-raising: Staff time and activities in support of fundraising events and campaigns.

Management and general: Includes administrative services in the areas of accounting, human resources, executive leadership, marketing, information technology, operations and other departments whose activities support all agency programs.

The following program and supporting services are reflected in the consolidated statements of activities for the years ended December 31:

	2017	2016
Early childhood education programs	\$ 40,252,078	\$ 38,036,047
Community development/housing	484,191	563,818
Family advancement	2,852,752	2,481,219
Child care	750,172	587,621
Innovation and research	481,851	280,605
Total program activities	44,821,044	41,949,310
Fund-raising	3,438	147,282
Management and general	6,068,270	6,287,942
Total expenses	\$ 50,892,752	\$ 48,384,534

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### Note 20: Self-Insurance Plan

Beginning in 2017, the Organization maintains a self-insurance benefit agreement for its eligible employees and their eligible dependents. The plan includes an individual stop loss maximum of \$75,000 to reduce the risk of excessive claims in any one period.

The Organization maintains a self-insurance reserve to pay actual claims. On December 31, 2017, the self-insurance reserve balance was \$582,248, which is the excess of the amounts withheld to pay for claims over actual claims incurred in 2017. The amounts withheld are based on actuarial estimates. The reserve balance is included in unrestricted net assets on the consolidated statements of financial position.

A liability is also maintained to fund the cost of claims incurred under the plan prior to December 31, 2017, but paid after the end of the year. On December 31, 2017, CAP Tulsa has recorded a liability of \$30,069, which is reported net of refunds received in 2018 for claims paid in 2017 that were in excess of the stop loss maximum. The liability balance is included in accrued payroll and related liabilities on the consolidated statements of financial position.

### Note 21: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets represent amounts contributed by a donor to fund classroom expansion and other early childhood activities for the Tulsa Early Childhood Stimulus program, promises to give, and investment earnings on a permanently restricted investment.

	2017	2016
Early childhood program donations	\$ 17,554,923	\$ 19,976,145
Promises to give	2,165,000	0
<u>Tulsa Community Foundation investment earnings</u>	<u>99,154</u>	<u>81,102</u>
<u>Total temporarily restricted net assets</u>	<u>\$ 19,819,077</u>	<u>\$ 20,057,247</u>

Permanently restricted net assets are to be held in perpetuity and any income related to the Neighborhood Reinvestment Revolving Loan and Capital Projects Fund is unrestricted and can be used to support the operations of CAP Tulsa. The release of \$251,100 and \$139,500 of the capital projects fund was approved by the funding source during the years ended December 31, 2017 and 2016, and are reported as net assets released from restriction on the consolidated statements of activities. Permanently restricted net assets at December 31 are as follows:

	2017	2016
Neighborhood Reinvestment Revolving Loan and Capital Project Fund	\$ 1,004,429	\$ 1,255,529
<u>Tulsa Community Foundation</u>	<u>106,468</u>	<u>106,468</u>
<u>Total permanently restricted net assets</u>	<u>\$ 1,110,897</u>	<u>\$ 1,361,997</u>

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### **Note 22: Related Party Transactions**

TCLF had a \$5,000,000 note payable to a family trust with a balance of \$0 and \$4,113,033 as of December 31, 2017 and 2016. The executive director of CAP Tulsa is related to a beneficiary of the trust. The Board of Directors has approved the transaction and it has been reviewed by outside counsel. As described in Note 12, the trust has made funds available to TCLF for the purpose of assisting in the financing of acquiring and operating the Brightwaters Apartments.

CAP Tulsa leases several of its child education facilities from TCC. CAP Tulsa also has a management contract with TCC under which CAP Tulsa provides management and accounting services to TCC since TCC has no employees. Both CAP Tulsa and TCC have separate Boards with no common members. CAP Tulsa's fees for these management and accounting services were \$60,000 during 2017 and 2016. CAP Tulsa's rental payments to TCC for space were \$901,523 in 2017 and \$977,328 in 2016.

CAP Tulsa paid TCC \$2,500,000 during 2012 and entered into a capital maintenance agreement whereby TCC will perform on-going facility and capital improvements for each childcare facility that TCC leases to CAP Tulsa. TCC is to use the funds for projects that contribute to the improvement of the childcare facility grounds or major repairs or renovations to improve the existing facilities. The funds are recorded and tracked in a separate account designated for maintenance and improvements on TCC's general ledger. No funds may be removed from this account without prior approval from CAP Tulsa. In 2017, \$500,000 was utilized by TCC with CAP Tulsa's prior approval.

In 2017, CAP Tulsa provided TCC with \$650,000 for capital maintenance needs that will be repaid to CAP Tulsa in accordance with a \$4,000,000 interest free note receivable that was executed in 2018. In accordance with the agreement, \$3,350,000, which is the portion of the \$4,000,000 note that had not been loaned as of December 31, 2017, will be loaned to TCC in 2018. CAP Tulsa made contributions to TCC in the amount of \$520,000 during 2016 to fund parking lots, expansions and renovations at TCC owned facilities.

CAP Tulsa is listed as a co-borrower on three TCC notes payable to the Pearl M. and Julia J. Harmon Foundation with an initial balance of \$6,340,000, as further described in Note 15. The remaining balance of the notes payable at December 31, 2017 and 2016, is \$1,099,229 and \$1,457,608. CAP Tulsa does not anticipate having to make any payments as co-borrower on these notes.

### **Note 23: Grant Awards**

At December 31, 2017, CAP Tulsa had commitments under various grants of approximately \$17,400,000. Additionally, CAP Tulsa had commitments for funding under the state grant award for the Oklahoma Early Childhood Program to subrecipients at December 31, 2017, of approximately \$2,000,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

# Community Action Project of Tulsa County, Inc.

## Notes to Consolidated Financial Statements

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### Note 24: Revenue Sources

CAP Tulsa had the following concentration of total revenue sources for the year ended December 31:

	<b>2017</b>	<b>2016</b>
Department of Health and Human Services, Federal Head Start	32%	30%
Oklahoma Early Childhood Program	21	10
Private foundation, Match to the Oklahoma Early Childhood Program and contributions	30	43

### Note 25: Subsequent Event

Subsequent events have been evaluated through May 10, 2018, which is the date the consolidated financial statements were available to be issued. Subsequent to year end, CAP Tulsa disbursed \$3,350,000 to TCC, which was the remaining amount due to them after a \$4,000,000 note agreement was executed in 2018. See note 22 for more information.

In addition, subsequent to year end, CAP Tulsa satisfied the conditional promise to give in the amount of \$1,000,000 by raising the remaining balance needed for the renovation project. See note 8 for more information.

# **Supplementary Information**

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# Community Action Project of Tulsa County, Inc.

Schedule A-1

Schedule of Expenditures of Federal and Other Awards

Year Ended December 31, 2017

Federal Grantor/Pass-Through Number / Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Pass-through to subrecipients	Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>				
Child and Adult Care Food Program DC-72-326	10.558	Oklahoma State Department of Education	\$ 0	2,031,900
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>Community Development Block Grant Cluster</b>				
Community Development Block Grant McClure Operations	14.218	City of Tulsa	0	27,500
<b>DEPARTMENT OF TREASURY</b>				
NeighborWorks CLI Action Plan	21.000	NeighborWorks America	2,000	2,000
NeighborWorks Community Impact Measurement		NeighborWorks America	7,000	7,000
NeighborWorks Peer to Peer		NeighborWorks America	2,000	2,000
NeighborWorks Community Stabilization		NeighborWorks America	15,000	15,000
NeighborWorks Organizational Underwriting		NeighborWorks America	15,000	15,000
NeighborWorks Organizational Underwriting		NeighborWorks America	0	30,923
NeighborWorks Organizational Underwriting		NeighborWorks America	31,500	41,986
<b>Total Federal Expenditures CFDA 21.000</b>			<b>72,500</b>	<b>113,909</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Health Professional Opportunity Grant 90FX0045-02-00	93.093	U.S. Dept. of Health and Human Services	0	1,758,949
Health Professional Opportunity Grant 90FX0045-03-00		U.S. Dept. of Health and Human Services	0	465,820
<b>Total Federal Expenditures CFDA 93.093</b>			<b>0</b>	<b>2,224,769</b>
<b>Maternal, Infant, and Early Childhood Home Visiting Cluster</b>				
Affordable Care Act Maternal, Infant and Early Childhood Home Visiting Program 3409020863	93.505	Oklahoma Department of Health	0	613,468
Community Service Block Grant 16878 & 16600	93.569	Oklahoma Department of Commerce	0	898,232
Head Start/Early Head Start 06CH010305-02	93.600	U.S. Dept. of Health and Human Services	0	13,234,570
Early Head Start 06HP000065-01			0	1,230,578
ACF/Northwestern University - Educating Parents and Children in Head Start SP0039186-PROJ0011689 & SP0044098-PROJ0013193		Northwestern University	0	83,005
<b>Total Federal Expenditures CFDA 93.600</b>			<b>0</b>	<b>14,548,153</b>
<b>Total Department of Health and Human Services Expenditures</b>			<b>0</b>	<b>18,284,622</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 72,500</b>	<b>\$ 20,457,931</b>
<b>STATE AND LOCAL PROGRAMS</b>				
Administrative		Ascend at the Aspen Institute	\$ 0	\$ 4,852
Administrative		Tulsa Area United Way	0	17,513
Administrative		Oklahoma Department of Commerce	0	50,107
Early Childhood Programs		Blue Cross Blue Shield of Oklahoma	0	4,568
Early Childhood Programs		Gelvin Foundation	0	3,500
Early Childhood Programs		Oklahoma Department of Commerce	0	198,282
Early Childhood Programs		ONEOK Foundation	0	2,500
Early Childhood Programs		Stranahan Foundation	0	64,914
Early Childhood Programs		Tulsa Area United Way	0	227,203
Early Childhood Programs		Williams Foundation	0	9,572
Early Childhood Programs		The Sharna and Irvin Frank Foundation	0	5,000
Early Childhood Programs		Children's Medical Charities	0	2,500
Early Childhood Programs		Barnes & Noble - Together We Read	0	2,390
Early Childhood Programs		Matrix Service Company	0	119
Early Childhood Programs		Kum & Go	0	10,000

# Community Action Project of Tulsa County, Inc.

Schedule A-2

Schedule of Expenditures of Federal and Other Awards

Year Ended December 31, 2017

Federal Grantor/Pass-Through Number / Program Title	Funding Source/ Pass-Through Entity	Pass-through to subrecipients	Expenditures
<b>STATE AND LOCAL PROGRAMS (CONTINUED)</b>			
Early Childhood Programs	Cox Communications	0	2,500
Early Childhood Programs	Inasmuch Foundation	0	25,000
Early Childhood Programs - Early Head Start	George Kaiser Family Foundation	0	327,585
Early Childhood Programs - Oklahoma Early Childhood Program	George Kaiser Family Foundation	2,272,348	13,292,150
Early Childhood Programs - Oklahoma Early Childhood Program	Oklahoma State Department of Education	3,584,499	9,470,531
Early Childhood Programs - Oklahoma Early Childhood Program	Potts Family Foundation	2,912	2,912
Family Advancement - Career Advance & Educational Pathways	Annie E. Casey Foundation	0	3,766
Family Advancement - Career Advance & Educational Pathways	Charles and Lynn Schusterman Family Foundation	0	19,006
Family Advancement - Career Advance & Educational Pathways	JPMorgan Chase Foundation	0	20,000
Family Advancement - Career Advance & Educational Pathways	Warren Foundation	0	5,075
Family Advancement - Career Advance & Educational Pathways	Bank of Oklahoma	0	10,794
Family Advancement - Career Advance & Educational Pathways	Tulsa Area United Way	0	308,795
Family Advancement - Career Advance & Educational Pathways	State Farm	0	14,969
Family Advancement - ESL	Dollar General Foundation	0	6,432
Family Advancement - ESL	Charles and Lynn Schusterman Family Foundation	0	206,180
Family Advancement - ESL	Zarrow	0	35,842
Family Advancement - ESL	Annie E. Casey Foundation	0	3,453
Family Advancement - ESL	National Literacy Directory	0	1,000
Family Advancement - ESL	Grace and Franklin Bernsen Foundation	0	10,000
Family Advancement - Financial Capabilities	Charles and Lynn Schusterman Family Foundation	0	24,815
Family Advancement - Financial Capabilities	State Farm	0	2,058
Family Advancement - Financial Capabilities	Tulsa Area United Way	0	33,572
Real Estate Development	City of Tulsa - Community Housing Development Organization - Reuse Funds	0	2,878
Research and Innovation	Annie E. Casey Foundation	0	3,821
Research and Innovation	Tulsa Area United Way	0	71,810
Research and Innovation	Stranahan Foundation	0	7,224
<b>TOTAL STATE &amp; LOCAL EXPENDITURES</b>		<b>5,859,759</b>	<b>24,515,188</b>
<b>TOTAL COMMUNITY ACTION PROJECT OF TULSA COUNTY, INC.</b>			
<b>GRANTS AND CONTRACTS EXPENDITURES</b>		<b>\$ 5,932,259</b>	<b>\$ 44,970,241</b>
<b>NORWOOD HOUSING PARTNERS, LP GRANTS AND CONTRACTS EXPENDITURES</b>		<b>\$ 0</b>	<b>2,878</b>
<b>TOTAL GRANTS AND CONTRACTS EXPENDITURES</b>		<b>\$ 5,932,259</b>	<b>44,973,119</b>

## Notes to the Schedule of Expenditures of Federal and Other Awards

### Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal and Other Awards (the "Schedule") includes the federal grant activity of Community Action Project of Tulsa County, Inc. under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations 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 Community Action Project of Tulsa County, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Action Project of Tulsa County, Inc.

### 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 allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### Note 3 - Indirect Cost Rate

Community Action Project of Tulsa County, Inc. has an approved indirect cost rate, and therefore, did not use the 10% de minimis cost rate.

# Community Action Project of Tulsa County, Inc.

## Schedule B

### Schedule of Funds - Oklahoma Department of Commerce

Year Ended December 31, 2017

Federal/State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Grant Expenditures in Prior Audit Period	Unspent Grant Award at 01/01/2017	Contract Receipts or Revenue Recognized	Contract Disburse/Expenditures	Interest Earned Federal Funds	Match Receipts or Revenue Recog.	Match Disburse/Expend.	Cash/ Accrued or (Deferred) Revenue at 12/31/2017
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>											
Pass-through Agency											
Oklahoma Department of Commerce											
Community Service Block Grant	CSBG 16	93.569	16600	\$ 893,934	\$ 885,000	\$ 8,934	\$ 100,047	\$ 8,934	\$ 0	\$ 0	\$ 0
Community Service Block Grant	CSBG 17	93.569	16878	889,298	0	889,298	747,456	889,298	0	0	0
				<b>\$ 1,783,232</b>	<b>\$ 885,000</b>	<b>\$ 898,232</b>	<b>\$ 847,503</b>	<b>\$ 898,232</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>											
				<b>\$ 1,783,232</b>	<b>\$ 885,000</b>	<b>\$ 898,232</b>	<b>\$ 847,503</b>	<b>\$ 898,232</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>STATE PROGRAMS</b>											
State of Oklahoma											
Pass-through Agency											
Oklahoma Department of Commerce											
State Appropriated Funds											
	SAF/CAA-HS-17	N/A	16671	\$ 201,984	\$ 100,992	\$ 100,992	\$ 117,824	\$ 100,992	\$ 0	\$ 0	\$ 0
	SAF/CAA-HS-18	N/A	16945	194,580	0	194,580	81,075	97,290	0	0	16,215
	SAF/CAA-17	N/A	16674	51,321	25,660	25,661	29,937	25,661	0	5,987	5,987
	SAF/CAA-18	N/A	16948	48,893	0	48,893	20,372	24,446	0	0	4,074
				<b>\$ 496,778</b>	<b>\$ 126,652</b>	<b>\$ 370,126</b>	<b>\$ 249,208</b>	<b>\$ 248,389</b>	<b>\$ 0</b>	<b>\$ 5,987</b>	<b>\$ 5,987</b>
<b>TOTAL STATE OF OKLAHOMA</b>											
				<b>\$ 496,778</b>	<b>\$ 126,652</b>	<b>\$ 370,126</b>	<b>\$ 249,208</b>	<b>\$ 248,389</b>	<b>\$ 0</b>	<b>\$ 5,987</b>	<b>\$ 5,987</b>

# Community Action Project of Tulsa County, Inc.

## Schedule C

### Schedule of Cash - Restricted - Neighborhood Reinvestment Corporation

December 31, 2017

Grant Name	Type	Amount Funded	Amount Expended	Unexpended Balance	2017	
					Restriction Release	Restricted Balance
NRC SCD BW development	Cash-Restricted	\$ 45,000	\$ 45,000	\$ 0	\$ 0	\$ 0
NRC real estate development and lending	Cash-Restricted	36,101	36,101	0	0	0
NRC capital grant	Cash-Restricted	50,000	50,000	0	0	0
NRC capital fund	Cash-Restricted	50,000	50,000	0	0	0
NRC MFI capital	Cash-Restricted	515,000	515,000	0	0	0
NRC BW MFI capital	Cash-Restricted	185,000	185,000	0	0	0
NRC community development BW	Cash-Restricted	2,628	0	2,628	2,628	0
NRC loan fund	Cash-Restricted	25,000	0	25,000	25,000	0
NRC NHP development	Cash-Restricted	50,000	50,000	0	0	0
NRC mortgage lending	Cash-Restricted	16,000	0	16,000	16,000	0
NRC Norwood development	Cash-Restricted	280,800	73,328	207,472	207,472	0
<b>TOTAL CASH - RESTRICTED</b>		<b>\$ 1,255,529</b>	<b>\$ 1,004,429</b>	<b>\$ 251,100</b>	<b>\$ 251,100</b>	<b>\$ 0</b>



## **Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

Board of Directors  
Community Action Project of Tulsa County, Inc.  
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Community Action Project of Tulsa County, Inc. (a nonprofit organization) and its wholly owned subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 10, 2018. The financial statements of Tulsa Community Loan Fund, Inc., Norwood Realty Corporation, Brightwaters Realty Corporation, and Norwood Housing Partnership were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Action Project of Tulsa County, Inc.’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Project of Tulsa County, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Project of Tulsa County, 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 Community Action Project of Tulsa County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

Handwritten signature of Wipfli LLP in cursive script.

Wipfli LLP

May 10, 2018  
Madison, Wisconsin



## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance**

Board of Directors  
Community Action Project of Tulsa County, Inc.  
Tulsa, Oklahoma

### **Report on Compliance for Each Major Federal Program**

We have audited Community Action Project of Tulsa County, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Community Action Project of Tulsa County, Inc.'s major federal programs for the year ended December 31, 2017. Community Action Project of Tulsa County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility for Compliance**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Community Action Project of Tulsa County, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of 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 Community Action Project of Tulsa County, 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 on Community Action Project of Tulsa County, Inc.'s compliance.

### **Opinion**

In our opinion, Community Action Project of Tulsa County, Inc.'s complied, in all material respects, with the types of 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, 2017.

## Report on Internal Control Over Compliance

Management of Community Action Project of Tulsa County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action Project of Tulsa County, Inc.'s internal control over compliance with the types of 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 purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Community Action Project of Tulsa County, 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 type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of 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 type of 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

May 10, 2018  
Madison, Wisconsin

# Community Action Project of Tulsa County, Inc.

## Schedule of Findings and Questioned Costs

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

#### Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No
Identification of major federal programs:	

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
Affordable Care Act Health Professional Opportunity Grant	93.093
Head Start	93.600

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$750,000
Auditee qualified as low-risk auditee?	Yes

### Section II - Financial Statement Findings

None

### Section III - Federal and State Award Findings and Questioned Costs

None

### Section IV - Summary Schedule of Prior Year Findings

None