

CITICARE

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2011

CITICARE
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Independent Auditor's Report

To the Board of Directors
CitiCare
Reno, Nevada

We have audited the accompanying Statement of Financial Position of CitiCare (a Nevada non-profit corporation) as of December 31, 2011, and the related Statements of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of CitiCare's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting, a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CitiCare as of December 31, 2011, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

PANGBORN & CO., LTD.

Reno, Nevada
July 18, 2012

CITICARE
Statement of Financial Position
December 31, 2011

Assets

Cash	\$ 181,496
Contribution receivable	56,316
Prepaid subscription	<u>96</u>
Total Assets	<u>\$ 237,908</u>

Liabilities and Net Assets

Liabilities:	
Due to related party	<u>\$ 52,162</u>
Total Liabilities	<u>52,162</u>
Net Assets:	
Unrestricted	152,338
Temporarily restricted	<u>33,408</u>
Total Net Assets	<u>185,746</u>
Total Liabilities and Net Assets	<u>\$ 237,908</u>

The attached auditor's report and notes should be read with the financial statements.

CITICARE
Statement of Activities
For the Year Ending December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support:			
Contributions	\$ 75,141	\$ 145,864	\$ 221,005
Interest income	469		469
Released from restriction	<u>194,862</u>	<u>(194,862)</u>	<u>-</u>
Total Revenues and Other Support	<u>270,472</u>	<u>(48,998)</u>	<u>221,474</u>
Expenses:			
Management and general	14,599		14,599
Program services	<u>194,370</u>	<u>-</u>	<u>194,370</u>
Total Expenses	<u>208,969</u>	<u>-</u>	<u>208,969</u>
Change in Net Assets	61,503	(48,998)	12,505
Net Assets, Beginning of Year	<u>90,835</u>	<u>82,406</u>	<u>173,241</u>
Net Assets, End of Year	<u>\$ 152,338</u>	<u>\$ 33,408</u>	<u>\$ 185,746</u>

The attached auditor's report and notes should be read with the financial statements.

CITICARE
Statement of Cash Flows
For the Year Ending December 31, 2011

Cash Flows from Operating Activities:	
Change in net assets	\$ 12,505
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Change in operating assets and liabilities	
(Increase) decrease in assets:	
Contributions receivable	59,856
Increase (decrease) in liabilities:	
Accounts payable	(9,217)
Due to related party	<u>4,730</u>
Net Cash Provided by Operating Activities	<u>67,874</u>
Net Increase in Cash	67,874
Cash and Cash Equivalents, Beginning of Year	<u>113,622</u>
Cash and Cash Equivalents, End of Year	<u>\$ 181,496</u>

The attached auditor's report and notes should be read with the financial statements.

CITICARE
Notes to Financial Statements
December 31, 2011

NOTE A – SUMMARY OF ACCOUNTING POLICIES

Organizational and Activity

CitiCare (the Organization) is organized as a non-profit corporation under the laws of the State of Nevada. The Organization seeks additional sources of funding to bridge the gap between the transportation needs of people with disabilities and senior citizens and the resources currently available.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

Net assets consist of:

Unrestricted Net Assets – Net assets available for the general operations of the Organization;

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time. The Organization has \$33,408 in temporarily restricted net assets at December 31, 2011;

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. There are no permanently restricted net assets at December 31, 2011.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue code and, therefore, no provision for income taxes is included.

On January 1, 2009, the Organization adopted accounting guidance related to accounting for uncertainty in income taxes, which required the recognition of uncertain tax positions taken or expected to be taken in a tax return which it "more likely than not" to be sustained upon examination by tax authorities. The adoption of this new accounting guidance did not have an impact on the accompanying financial statements, as all tax positions taken on the prior year income tax returns were deemed highly certain. The Organization did not have a liability for unrecognized tax benefits upon adoption of this guidance or as of December 31, 2011.

CITICARE
Notes to Financial Statements
December 31, 2011

NOTE A – SUMMARY OF ACCOUNTING POLICIES (continued)

Income Taxes (continued)

As of December 31, 2011, the Organization did not have any unrecognized tax benefits; therefore, the Organization did not have any interest or penalty expenses related to unrecognized tax benefits for the year ended December 31, 2011. The Organization files federal income tax returns and is no longer subject to federal income tax examinations for years before 2008.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that restrict the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are released from restrictions.

Contributions Receivable

Contributions receivable are recorded at their estimated fair value and are estimated to be collected within one year.

Subsequent Events

The Organization evaluated subsequent events through July 18, 2012, the date these financial statements were issued. There were no material subsequent events that require recognition or additional disclosure in these financial statements.

NOTE B – RELATED PARTIES

During the year ended December 31, 2011, the Organization incurred program service expenses of \$194,370 with the Regional Transportation Commission of Washoe County, Nevada (RTC). RTC operates RTC Access, which is a para-transit service that provides door-to-door, on-demand transportation to individuals who are certified as eligible as outlined in the Americans with Disabilities Act. As a qualified charitable organization as defined under Section 510(c)(3) of the Internal Revenue Code, CitiCare can receive contributions from donors that may be tax deductible. These contributions help fund the gap between funds currently available and the unmet demand for the RTC Access service. RTC provides staff and office space to fulfill administrative functions of CitiCare. At December 31, 2011, the Organization had payables of \$52,162 related to program service expense due to RTC.

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Notes to Financial Statements
December 31, 2011

NOTE C – MAJOR DONORS

For the year ended December 31, 2011, the Organization recognized contributions of \$145,864 from three donors, which represents 66% of the total public support and revenue.

NOTE D – CONDITIONAL PROMISES TO GIVE

For the year ended December 31, 2011, the Organization received a \$100,509 grant, conditioned on rides being provided to people outside of the Americans with Disabilities Act area and the Organization received matching funds within a twelve-month period beginning October 1, 2010. As of December 31, 2011, certain conditions had been met, and revenue of \$23,716 was released from restriction.