

CASA, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

CASA, INC.
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Report of Independent Auditor

To the Board of Directors
CASA, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of CASA, Inc., (a Tennessee not-for-profit organization) ("CASA"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



Nashville, Tennessee
November 16, 2021

CASA, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 231,774	\$ 183,647
Grants receivable	41,430	37,290
Investments	651,519	6,128
Prepaid expenses	5,759	-
Total Current Assets	930,482	227,065
Deposits and other assets	-	927
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	74,039	59,667
Land, building, and equipment, net	19,901	221,518
Total Assets	\$ 1,024,422	\$ 509,177
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 42,915	\$ 40,042
Deferred grant revenue	98,469	98,469
Line of credit	-	70,000
Amount due affiliate	-	42,608
Total Current Liabilities	141,384	251,119
Amount due affiliate, net of current	-	103,475
Total Liabilities	141,384	354,594
Net Assets:		
Without Donor Restrictions:		
Designated for beneficial interest in agency endowment fund	74,039	59,667
Undesignated	798,399	94,916
Total Without Donor Restrictions	872,438	154,583
With donor restrictions	10,600	-
Total Net Assets	883,038	154,583
Total Liabilities and Net Assets	\$ 1,024,422	\$ 509,177

The accompanying notes to the financial statements are an integral part of these statements.

CASA, INC.**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS***YEAR ENDED JUNE 30, 2021*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 172,505	\$ -	\$ 172,505
Special events (including in-kind of \$5,875)	137,578	-	137,578
Grants	462,573	27,600	490,173
Gain on sale of property and equipment	841,693	-	841,693
Investment income	14,578	-	14,578
Other income	14,246	-	14,246
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	14,372	-	14,372
Net assets released from restrictions	17,000	(17,000)	-
Total Revenue and Other Support	1,674,545	10,600	1,685,145
Expenses:			
Program services	596,019	-	596,019
General and administrative	96,125	-	96,125
Fundraising	264,546	-	264,546
Total Expenses	956,690	-	956,690
Change in net assets	717,855	10,600	728,455
Net assets, beginning of year	154,583	-	154,583
Net assets, end of year	\$ 872,438	\$ 10,600	\$ 883,038

CASA, INC.**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS***YEAR ENDED JUNE 30, 2020*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 275,930	\$ -	\$ 275,930
Special events (including in-kind of \$8,275)	81,434	-	81,434
Grants	382,019	-	382,019
Other income	12,957	-	12,957
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	(835)	-	(835)
Total Revenue and Other Support	751,505	-	751,505
Expenses:			
Program services	514,955	-	514,955
General and administrative	79,723	-	79,723
Fundraising	177,325	-	177,325
Total Expenses	772,003	-	772,003
Change in net assets	(20,498)	-	(20,498)
Net assets, beginning of year	175,081	-	175,081
Net assets, end of year	\$ 154,583	\$ -	\$ 154,583

The accompanying notes to the financial statements are an integral part of these statements.

CASA, INC.**STATEMENT OF FUNCTIONAL EXPENSES***YEAR ENDED JUNE 30, 2021*

		Support Services			
	Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries and benefits	\$ 443,556	\$ 21,257	\$ 182,285	\$ 203,542	\$ 647,098
Professional fees	4,622	60,487	25,396	85,883	90,505
Utilities	41,608	2,335	7,615	9,950	51,558
Miscellaneous	32,518	1,825	5,952	7,777	40,295
Supplies	24,836	1,394	4,546	5,940	30,776
Special events	-	-	22,392	22,392	22,392
Occupancy	14,774	829	2,704	3,533	18,307
Fees	7,530	4,550	3,608	8,158	15,688
Outreach	8,519	-	-	-	8,519
Advertising	6,738	378	1,233	1,611	8,349
Insurance	4,020	1,914	1,087	3,001	7,021
Depreciation	5,621	315	1,029	1,344	6,965
Board and other meetings	-	-	6,139	6,139	6,139
Travel	1,396	79	256	335	1,731
Dues and subscriptions	-	746	253	999	999
Repairs and maintenance	281	16	51	67	348
	<u>\$ 596,019</u>	<u>\$ 96,125</u>	<u>\$ 264,546</u>	<u>\$ 360,671</u>	<u>\$ 956,690</u>

The accompanying notes to the financial statements are an integral part of these statements.

CASA, INC.**STATEMENT OF FUNCTIONAL EXPENSES***YEAR ENDED JUNE 30, 2020*

	Program Services	Support Services			Total
		General and Administrative	Fundraising	Total Support Services	
Salaries and benefits	\$ 415,250	\$ 23,305	\$ 76,001	\$ 99,306	\$ 514,556
Professional fees	3,298	44,197	18,470	62,667	65,965
Special events	-	-	54,338	54,338	54,338
Advertising	17,206	966	3,149	4,115	21,321
Fees	8,504	5,138	4,075	9,213	17,717
Repairs and maintenance	12,848	721	2,352	3,073	15,921
Depreciation	12,408	696	2,271	2,967	15,375
Supplies	12,228	686	2,238	2,924	15,152
Utilities	11,126	624	2,036	2,660	13,786
Board and other meetings	-	-	9,336	9,336	9,336
Outreach	8,947	-	-	-	8,947
Insurance	4,358	2,074	1,178	3,252	7,610
Occupancy	4,675	262	856	1,118	5,793
Travel	2,584	146	473	619	3,203
Training	1,199	67	219	286	1,485
Dues and subscriptions	-	823	274	1,097	1,097
Moving	324	18	59	77	401
	<u>\$ 514,955</u>	<u>\$ 79,723</u>	<u>\$ 177,325</u>	<u>\$ 257,048</u>	<u>\$ 772,003</u>

The accompanying notes to the financial statements are an integral part of these statements.

CASA, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 728,455	\$ (20,498)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	6,965	15,375
Gain on sale of land and property	(841,693)	-
Change in value of beneficial interest in agency endowment fund	(14,372)	(2,640)
Changes in operating assets and liabilities:		
Grants receivable	(4,140)	(8,662)
Prepaid expenses	(5,759)	
Deposits and other assets	927	-
Accounts payable and accrued expenses	2,873	(24,507)
Deferred grant revenue	-	98,469
Net cash flows from operating activities	<u>(126,744)</u>	<u>57,537</u>
Cash flows from investing activities:		
Proceeds from sale of land and property	1,050,000	-
Purchases of equipment	(13,655)	(4,695)
Purchases of investments	(645,391)	-
Net cash flows from investing activities	<u>390,954</u>	<u>(4,695)</u>
Cash flows from financing activities:		
Payments on line of credit	(70,000)	-
Payments on amount due affiliate	(146,083)	-
Net cash flows from financing activities	<u>(216,083)</u>	<u>-</u>
Change in cash and cash equivalents	48,127	52,842
Cash and cash equivalents, beginning of year	183,647	130,805
Cash and cash equivalents, end of year	<u>\$ 231,774</u>	<u>\$ 183,647</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 1,867</u>	<u>\$ 4,331</u>

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Nature of organization and summary of significant accounting policies

General – CASA, Inc. (“CASA”), which stands for “Court Appointed Special Advocates”, was organized in September 1984 to train and supervise volunteers to act as advocates for children in foster care in Nashville, Tennessee.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as prescribed for not-for-profit organizations. Accordingly, net assets of CASA and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. All contributions are considered available for general use unless specifically restricted by the donor.

Designated – Net assets designated by CASA’s Board of Directors (the “Board”) for particular purposes, presently designated by the Board for beneficial interest in the endowment fund.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CASA and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions. For the years ended June 30, 2021 and 2020, net assets with donor restrictions totaled \$10,600 and \$-0-, respectively. Donor restrictions at June 30, 2021 were restricted to provide resources to children in foster care.

Cash and Cash Equivalents – For purposes of the statements of cash flows, CASA considers all cash funds, cash bank accounts, and highly liquid debt instruments with an original maturity of three months or less when purchased to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured. CASA has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to its cash held at financial institutions.

Contributions and Promises to Give – Contributions are recognized as revenues when the donor makes a promise to give to CASA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no promises to give at June 30, 2021 and 2020.

Investments – Investments are presented in the financial statements at fair value. Realized gains or losses on the sale of investments and unrealized gains or losses on the changes in fair value of the investments are reflected in the statements of activities and changes in net assets in the accompanying financial statements. Investment securities are exposed to interest rate, market, credit, and other risk depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of CASA’s investments.

Grants Receivable – CASA receives grants from state and local government agencies. Management considers grants receivable to be fully collectible at June 30, 2021 and 2020; therefore, no allowance for doubtful accounts has been provided. Grant revenue is recognized in the period in which a liability is incurred for eligible expenditures under the terms of the grant.

CASA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

Land, Building, and Equipment – Land, building, and equipment are stated at cost, except those received by gift, which are stated at estimated fair market value as of the date of the gift. Expenditures for ordinary maintenance and repairs are charged to expense. Depreciation expense is computed by using the straight-line method over the estimated useful lives of the related assets, which range from five to ten years for furniture and equipment and thirty years for the building. All expenditures for property and equipment in excess of \$5,000 with a life expectancy of greater than one year are capitalized.

Donated Goods and Services – Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. CASA received a substantial amount of donated services from unpaid volunteers which did not meet the criteria for recognition. Donated assets are recognized at fair value on the date contributed.

Agency (Functional) Endowment Fund – CASA's beneficial interest in an agency (functional) endowment fund held by the Community Foundation of Middle Tennessee (the "Community Foundation") is recognized as an asset. Investment income and changes in the value of the fund are recognized in the statements of activities, and distributions received from the fund are recorded as changes in the beneficial interest.

Income Taxes – CASA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

CASA follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. CASA has no tax penalties or interest reported in the accompanying financial statements.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Functional Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and support services based on estimated time and effort. The remaining unallocated expenses are charged directly to a specific function based on the nature of the expense.

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

Adoption of Accounting Standard – In May 2014, FASB issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. CASA adopted the provisions of ASU 2014-09 as of July 1, 2020 using a modified retrospective approach, which resulted in no cumulative effect adjustment to net assets as of July 1, 2020. There was no change in the timing and amount of revenue recognition as a result of the adoption of the ASU.

Accounting Policies for Future Pronouncement – In February 2016, FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities and changes in net assets. This standard will be effective for the fiscal year ending June 30, 2023. CASA is currently evaluating the effect of the implementation of this new standard.

CASA evaluated subsequent events through November 16, 2021, when these financial statements were available to be issued.

Note 2—Liquidity and availability

CASA regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, CASA considers all expenditures related to its ongoing activities of providing programs and services to provide servicing to advocate for children in foster care as well as to conduct services undertaken to support those activities to be general expenditures.

As a part of CASA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2021 and 2020:

Financial assets at year-end:	2021	2020
Cash and cash equivalents	\$ 231,774	\$ 183,647
Grants receivable	41,430	37,290
Investments	651,519	6,128
Beneficial interest in agency endowment fund	74,039	59,667
Total financial assets	998,762	286,732
Less amounts not available to be used for general expenditures within one year:		
Assets subject to designations	74,039	59,667
Assets subject to restrictions	10,600	-
Financial assets not available to be used within one year	84,639	59,667
Financial assets available to meet general expenditures within one year	\$ 914,123	\$ 227,065

CASA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 3—Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determinations, other than those measured using the net asset value (“NAV”) as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is the description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2021 and 2020.

Mutual Funds – The fair values of accumulation units held by CASA in mutual fund accounts (registered investment companies) are based on each account's daily share price/NAV. The mutual fund accounts are actively traded and classified within Level 1 of the fair value hierarchy.

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

Investments are stated at fair value and fair value is determined based on active markets (Level 1) and consist of the following at June 30:

	2021	2020
Exchange traded products	\$ 290,390	\$ 6,128
Equity funds	176,336	-
Fixed income funds	171,445	-
Short-term investments	13,348	-
	<u>\$ 651,519</u>	<u>\$ 6,128</u>

The following table summarized the net investment gain for the year ended June 30, 2021:

Realized and unrealized gain	\$ 14,674
Interest and dividends	975
Net realized and unrealized gain	15,649
Investment fees	(1,071)
Net investment income	<u>\$ 14,578</u>

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 4—Land, building, and equipment

Land, building, and equipment consist of the following at June 30:

	2021	2020
Land	\$ -	\$ 28,600
Building	-	369,304
Office furniture and equipment	20,853	69,901
Computer	13,656	-
	<u>34,509</u>	<u>467,805</u>
Less accumulated depreciation	<u>(14,608)</u>	<u>(246,287)</u>
Land, building, and equipment, net	<u>\$ 19,901</u>	<u>\$ 221,518</u>

Depreciation expense totaled \$6,965 and \$15,375 for the years ended June 30, 2021 and 2020, respectively.

On October 20, 2020, CASA sold its land and building for \$1,050,000 and recorded a gain on the sale totaling \$841,693, which is included in the statements of activities and changes in net assets for the year ended June 30, 2021. Furthermore, the proceeds from the sale were used to pay off the line of credit and amount due under the affiliation agreement and to purchase investments (see Notes 3, 8, and 12).

Note 5—Beneficial interest in agency endowment fund

CASA has a beneficial interest in the CASA of Nashville Fund, an agency endowment fund held by the Community Foundation. Earnings on this fund are used to train and supervise volunteers to act as advocates for children in foster care. The fund is charged a 0.4% administrative fee annually. Upon request by CASA, income from the fund representing a specified annual return may be distributed to CASA or to another suggested beneficiary.

Note 6—Paycheck Protection Program loan

CASA received a Paycheck Protection Program (“PPP”) loan in the amount of \$98,469 during May of 2020. The PPP loan was granted by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. The loan must be repaid if CASA does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. On March 31, 2021, CASA received notification of forgiveness for this loan from the SBA. Therefore, CASA recognized \$98,489 as grant revenue on the statement of activities and changes in net assets for the year ended June 30, 2021.

During March 2021, CASA received a second PPP loan in the amount of \$98,469 under substantially the same terms. CASA has deferred recognition of grant revenue for the year ended June 30, 2021 because the conditions for forgiveness have not yet been substantially met; however, CASA received forgiveness subsequent to year-end and will recognize revenue in the year ended June 30, 2022.

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 7—Leases

CASA leases office space and a copier under lease arrangements classified as operating leases. Total rent expense for the years ended June 30, 2021 and 2020 was \$17,856 and \$36,492, respectively. Future minimum lease payments are as follows as of June 30, 2021:

Years Ending June 30,

2022	\$	16,656
2023		3,456
2024		3,456
2025		3,456
2026		288
	\$	<u>27,312</u>

Note 8—Line of credit

CASA has a revolving line of credit agreement with a financial institution. The agreement provides for maximum borrowings of \$70,000. Interest is payable monthly at an annual rate of 1.0% over the bank's prime rate (4.25% at June 30, 2021), the balance outstanding is payable upon demand, and the financial institution also has the right to terminate this agreement at any time. The line of credit is collateralized by investment owned by CASA and deposits held by the financial institution. Under this agreement, \$-0- and \$70,000 was outstanding at June 30, 2021 and 2020, respectively.

Note 9—Special events and fundraising

Unrestricted revenues and direct expenses relating to special events consisted of the following for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Revenues	\$ 137,578	\$ 81,434
Expenses	<u>(22,392)</u>	<u>(54,338)</u>
Excess of revenues over expenses	<u>\$ 115,186</u>	<u>\$ 27,096</u>

During the years ended June 30, 2021 and 2020, CASA received in-kind contributions totaling \$5,875 and \$8,275, respectively, which were included in special events revenue.

Note 10—Commitments

Grant expenditures are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to the grantor.

CASA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 11—Concentrations of credit risk

Financial instruments that potentially subject CASA to concentrations of credit risk principally consist of grants receivable. Grants receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. At June 30, 2021 and 2020, grants receivable totaling \$34,930 and \$31,790, or 84% and 85%, were due from the two largest sources and the largest source of grants receivable, respectively.

Contributors and granters providing at least \$10,000 of contributions and grants comprised \$404,012 or 24% of the total revenue and other support for the year ended June 30, 2021 and \$488,272 or 65% of revenue and other support for the year ended June 30, 2020.

Note 12—Affiliation agreement

Effective July 1, 2016, CASA entered into an affiliation agreement with FCS wherein FCS provided operational and financial management services to CASA as detailed in the agreement. The agreement was renewed July 1, 2017 and automatically renewed for another one-year period unless terminated by either party. The fees incurred under this agreement for both the years ended June 30, 2021 and 2020 were \$-0-. As of June 30, 2021 and 2020, CASA owed FCS approximately \$-0- and \$146,000, respectively, and these amounts are included in liabilities on the statements of financial position in accordance with the agreements negotiated with the affiliate. This affiliation agreement was terminated effective June 30, 2020 and the balance outstanding was paid in full during October 2020.

Note 13—Uncertainty

In March 2020, the World Health Organization declared COVID-19 as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The outbreak has caused a material, adverse impact on the economic and market conditions. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material, adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to CASA, its performance, and its financial results.