

CASA, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2019 and 2018

And Report of Independent Auditor

CASA, INC.
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR 1-2

FINANCIAL STATEMENTS

 Statements of Financial Position 3

 Statements of Activities and Changes in Net Assets..... 4-5

 Statements of Functional Expenses 6-7

 Statements of Cash Flows 8

 Notes to the Financial Statements..... 9-15

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, 2019 and 2018, 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 audits 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, Inc. as of June 30, 2019 and 2018, 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.

Changes in Financial Statement Presentation

As discussed in Note 1, CASA, Inc. adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented with the exception of the disclosure of liquidity and availability of resources, which has been implemented prospectively as allowed under the provisions of ASU 2016-14. Our opinion is not modified with respect to this matter.



Nashville, Tennessee
January 24, 2020

CASA, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 130,805	\$ 23,628
Grants receivable	28,628	7,093
Investments	6,128	-
Total Current Assets	165,561	30,721
Deposits and other assets	927	1,178
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	57,027	53,189
Land, building, and equipment, net	232,198	251,289
Total Assets	\$ 455,713	\$ 336,377
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 64,549	\$ 127,900
Line of credit	70,000	47,025
Total Current Liabilities	134,549	174,925
Amount due affiliate	146,083	-
Total Liabilities	280,632	174,925
Net Assets:		
Without Donor Restrictions:		
Designated for beneficial interest in agency endowment fund	57,027	53,189
Undesignated	118,054	108,263
Total Net Assets	175,081	161,452
Total Liabilities and Net Assets	\$ 455,713	\$ 336,377

CASA, INC.**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS***YEAR ENDED JUNE 30, 2019*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 248,534	\$ -	\$ 248,534
Special events (including in-kind of \$13,358)	176,326	-	176,326
Grants	354,931	-	354,931
Other income	27,276	-	27,276
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle TN	3,416	-	3,416
Total Revenue and Other Support	810,483	-	810,483
Expenses:			
Program services	483,419	-	483,419
General and administrative	80,744	-	80,744
Fundraising	232,691	-	232,691
Total Expenses	796,854	-	796,854
Change in net assets	13,629	-	13,629
Net assets, beginning of year	161,452	-	161,452
Net assets, end of year	<u>\$ 175,081</u>	<u>\$ -</u>	<u>\$ 175,081</u>

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, 2018*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 222,054	\$ -	\$ 222,054
Special events	170,545	-	170,545
Grants	121,400	-	121,400
Other income	34,847	-	34,847
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle TN	3,103	-	3,103
Net assets released from restrictions: satisfaction of purpose restriction	21,599	(21,599)	-
Total Revenue and Other Support	573,548	(21,599)	551,949
Expenses:			
Program services	407,287	-	407,287
General and administrative	53,217	-	53,217
Fundraising	208,661	-	208,661
Total Expenses	669,165	-	669,165
Change in net assets	(95,617)	(21,599)	(117,216)
Net assets, beginning of year	257,069	21,599	278,668
Net assets, end of year	<u>\$ 161,452</u>	<u>\$ -</u>	<u>\$ 161,452</u>

CASA, INC.**STATEMENT OF FUNCTIONAL EXPENSES***YEAR ENDED JUNE 30, 2019*

		Support Services			
	Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries and benefits	\$ 394,247	\$ 33,898	\$ 106,534	\$ 140,432	\$ 534,679
Special events	-	-	81,179	81,179	81,179
Professional fees	2,482	32,482	13,638	46,120	48,602
Depreciation	15,569	1,262	4,208	5,470	21,039
Fees	9,202	5,482	4,380	9,862	19,064
Supplies	12,138	984	3,280	4,264	16,402
Utilities	11,043	895	2,985	3,880	14,923
Repairs and maintenance	10,270	833	2,776	3,609	13,879
Outreach	10,497	-	-	-	10,497
Insurance	5,327	2,536	1,440	3,976	9,303
Board and meeting	-	-	8,812	8,812	8,812
Travel	5,239	297	959	1,256	6,495
Training	3,878	314	1,047	1,361	5,239
Occupancy	3,527	286	953	1,239	4,766
Dues and subscriptions	-	1,475	500	1,975	1,975
	<u>\$ 483,419</u>	<u>\$ 80,744</u>	<u>\$ 232,691</u>	<u>\$ 313,435</u>	<u>\$ 796,854</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, 2018*

		Support Services			
	Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries and benefits	\$ 315,491	\$ 27,489	\$ 119,168	\$ 146,657	\$ 462,148
Special events	-	-	70,727	70,727	70,727
Professional fees	3,450	8,051	11,502	19,553	23,003
Depreciation	15,126	3,781	-	3,781	18,907
Fees	13,966	2,793	1,862	4,655	18,621
Supplies	10,547	2,110	1,407	3,517	14,064
Repairs and maintenance	10,055	2,011	1,341	3,352	13,407
Insurance	7,372	2,457	-	2,457	9,829
Utilities	7,361	1,472	982	2,454	9,815
Board and meeting	6,894	1,379	919	2,298	9,192
Outreach	6,798	-	-	-	6,798
Travel	4,065	813	542	1,355	5,420
Training	2,945	-	-	-	2,945
Occupancy	1,635	545	-	545	2,180
Dues and subscriptions	1,582	316	211	527	2,109
	<u>\$ 407,287</u>	<u>\$ 53,217</u>	<u>\$ 208,661</u>	<u>\$ 261,878</u>	<u>\$ 669,165</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, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 13,629	\$ (117,216)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	21,039	18,907
Loss on disposal of property and equipment	1,952	-
Donation of securities	(6,128)	-
Change in value of beneficial interest in agency endowment fund	(3,838)	(3,103)
Changes in operating assets and liabilities:		
Grants receivable	(21,535)	(2,593)
Deposits and other assets	251	(355)
Accounts payable and accrued expenses	29,572	73,491
Net cash used in operating activities	<u>34,942</u>	<u>(30,869)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(3,900)	-
Net cash used in investing activities	<u>(3,900)</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from line of credit	22,975	-
Payments on line of credit	-	(7,975)
Additional advance on amount due affiliate	53,160	-
Net cash provided by (used in) financing activities	<u>76,135</u>	<u>(7,975)</u>
Net change in cash and cash equivalents	107,177	(38,844)
Cash and cash equivalents, beginning of year	23,628	62,472
Cash and cash equivalents, end of year	<u>\$ 130,805</u>	<u>\$ 23,628</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 4,167</u>	<u>\$ 3,086</u>

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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, 2019 and 2018, there were no net assets with donor restrictions.

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, 2019 and 2018.

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, 2019 and 2018, 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, 2019 AND 2018

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 30 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 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.

Subsequent Events – CASA evaluated subsequent events through January 24, 2020, when these financial statements were available to be issued.

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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

New Accounting Pronouncement – On August 18, 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. CASA has adopted these new accounting requirements retrospectively to all periods presented in these financial statements other than disclosures concerning liquidity and availability of resources which has been adopted prospectively as allowed by the ASU.

Future Pronouncements – In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance revises accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. This guidance is effective for the year ending December 31, 2020. CASA is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Revenue Recognition – In May 2014, the FASB issued 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. ASU 2014-09 is effective for CASA for the year ending June 30, 2020. CASA is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. The standard will be effective for the fiscal year ending June 30, 2020. CASA is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

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.

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Liquidity and availability (continued)

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, 2019:

Financial assets at year-end:

Cash and cash equivalents	\$	130,805
Grants receivable		28,628
Investments		6,128
Beneficial interest in agency endowment fund		<u>57,027</u>
Total financial assets		<u>222,588</u>

Less amounts not available to be used for general expenditures within one year:

Board designations	<u>57,027</u>
--------------------	---------------

Financial assets not available to be used within one year

57,027

Financial assets available to meet general expenditures within one year

\$ 165,561

As shown in the accompanying financial statements, CASA incurred a change in net assets of \$13,629 and (\$117,216) during the years ended June 30, 2019 and 2018, respectively. Management of CASA continues to pursue additional revenue sources and to scrutinize expenses. CASA presently receives cash advances from Family & Children's Service ("FCS") through an affiliation agreement to provide the necessary cash infusions to fund its cash flow deficits (see Note 11).

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.

CASA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 3—Investments (continued)

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, 2019 and 2018.

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.

CASA's investments at June 30, 2019 and 2018 consisted entirely of an investment in an open-end mutual fund registered with the U.S. Securities and Exchange Commission. The investment is recorded at fair value using Level 1 inputs based on the quoted NAVs of the shares as reported by the fund. The fund must publish its daily NAV and transact at that price. The mutual fund held by CASA was considered to be actively traded. CASA had no investments that required the use of Level 2 or Level 3 inputs. CASA had no investments at June 30, 2018. The fair value of this investment was \$6,128 and \$-0- at June 30, 2019 and 2018, respectively.

Note 4—Land, building, and equipment

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

	2019	2018
Land	\$ 28,600	\$ 28,600
Building	369,304	365,404
Office furniture and equipment	71,333	85,581
	<u>469,237</u>	<u>479,585</u>
Less accumulated depreciation	(237,039)	(228,296)
Land, building, and equipment, net	<u>\$ 232,198</u>	<u>\$ 251,289</u>

Depreciation expense totaled \$21,039 and \$18,907 for the years ended June 30, 2019 and 2018, respectively.

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.

CASA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 6—Leases

CASA leases a copier under lease arrangements classified as an operating lease. Total rent expense for the years ended June 30, 2019 and 2018 were \$3,656 and \$3,765, respectively. Future minimum lease payments are as follows as of June 30, 2019:

Years Ending June 30,

2020	\$	3,588
2021		3,588
2022		2,691
	\$	<u>9,867</u>

Note 7—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 (6.5% and 6.0% at June 30, 2019 and 2018, respectively), 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 real estate owned by CASA and deposits held by the financial institution. Under this agreement, \$70,000 and \$47,025 were outstanding at June 30, 2019 and 2018, respectively.

Note 8—Special events and fundraising

Unrestricted revenues and direct expenses relating to special events consisted of the following for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Revenues	\$ 176,326	\$ 170,545
Expenses	(81,179)	(70,727)
Excess of revenues over expenses	<u>\$ 95,147</u>	<u>\$ 99,818</u>

During the years ended June 30, 2019 and 2018, CASA received in-kind contributions totaling \$13,358 and \$-0-, respectively, which were included in special events revenue.

Note 9—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, 2019 AND 2018

Note 10—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, 2019 and 2018, grants receivable due from the single largest source totaled \$17,959 and \$5,000, or 63% and 70%, respectively, of grants receivable.

Contributors and granters providing at least \$10,000 of contributions and grants comprised \$176,250 or 22% of the total revenues, gains, and support for the year ended June 30, 2019, and \$161,872 or 29% for the year ended June 30, 2018.

Note 11—Affiliation agreement

Effective July 1, 2016, CASA entered into an affiliation agreement with FCS wherein FCS provides operational and financial management services to CASA as detailed in the agreement. The agreement was renewed July 1, 2017 and automatically renews for another one-year period unless terminated by either party. The fees incurred under this agreement for the years ended June 30, 2019 and 2018 were \$13,457 and \$-0-, respectively. As of June 30, 2019 and 2018, CASA owed FCS approximately \$146,000 and \$93,000, respectively, and these amounts are included in amount due affiliate and accounts payable and accrued expenses, respectively, on the statements of financial position. This affiliation agreement is being renegotiated as of the date of this report.