

# **CASA, INC.**

## **FINANCIAL STATEMENTS**

***As of and for the Years Ended June 30, 2020 and 2019***

***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, 2020 and 2019, 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, Inc. as of June 30, 2020 and 2019, 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.

**Emphasis of Matter**

As discussed in Note 13, towards the end of December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. During 2020, there have been various mandates and/or requests from federal, state, and local authorities resulting in closures of non-essential businesses, which could negatively impact CASA, Inc.'s operations. Although it is not possible to reasonably estimate the length or severity of this outbreak and hence its financial impact, any significant reduction of revenues and support could negatively impact CASA, Inc.'s operations for an indeterminable time period. Other financial impacts could occur though such potential impacts are unknown at this time. Our opinion is not modified with respect to this matter.



Nashville, Tennessee  
February 19, 2021

**CASA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 183,647	\$ 130,805
Grants receivable	37,290	28,628
Investments	6,128	6,128
Total Current Assets	227,065	165,561
Deposits and other assets	927	927
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	59,667	57,027
Land, building, and equipment, net	221,518	232,198
<b>Total Assets</b>	<b>\$ 509,177</b>	<b>\$ 455,713</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 40,042	\$ 64,549
Deferred grant revenue	98,469	-
Line of credit	70,000	70,000
Amount due affiliate	42,608	-
Total Current Liabilities	251,119	134,549
Amount due affiliate, net of current	103,475	146,083
Total Liabilities	354,594	280,632
Net Assets:		
Without Donor Restrictions:		
Designated for beneficial interest in agency endowment fund	59,667	57,027
Undesignated	94,916	118,054
Total Net Assets	154,583	175,081
<b>Total Liabilities and Net Assets</b>	<b>\$ 509,177</b>	<b>\$ 455,713</b>

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

---

	<b>Without Donor Restrictions</b>	<b>Total</b>
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 TN	(835)	(835)
Total Revenue and Other Support	<u>751,505</u>	<u>751,505</u>
Expenses:		
Program services	514,955	514,955
General and administrative	79,723	79,723
Fundraising	<u>177,325</u>	<u>177,325</u>
Total Expenses	<u>772,003</u>	<u>772,003</u>
Change in net assets	(20,498)	(20,498)
Net assets, beginning of year	<u>175,081</u>	<u>175,081</u>
Net assets, end of year	<u>\$ 154,583</u>	<u>\$ 154,583</u>

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

---

	<b>Without Donor Restrictions</b>	<b>Total</b>
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	<u>810,483</u>	<u>810,483</u>
Expenses:		
Program services	483,419	483,419
General and administrative	80,744	80,744
Fundraising	232,691	232,691
Total Expenses	<u>796,854</u>	<u>796,854</u>
Change in net assets	13,629	13,629
Net assets, beginning of year	<u>161,452</u>	<u>161,452</u>
Net assets, end of year	<u><u>\$ 175,081</u></u>	<u><u>\$ 175,081</u></u>

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

	<b>Program Services</b>	<b>Support Services</b>		<b>Total Support Services</b>	<b>Total</b>
		<b>General and Administrative</b>	<b>Fundraising</b>		
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.****STATEMENT OF FUNCTIONAL EXPENSES***YEAR ENDED JUNE 30, 2019*

	<b>Program Services</b>	<b>Support Services</b>		<b>Total Support Services</b>	<b>Total</b>
		<b>General and Administrative</b>	<b>Fundraising</b>		
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 other meetings	-	-	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.**  
**STATEMENTS OF CASH FLOWS**

*YEARS ENDED JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (20,498)	\$ 13,629
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	15,375	21,039
Loss on disposal of property and equipment	-	1,952
Donation of securities	-	(6,128)
Change in value of beneficial interest in agency endowment fund	(2,640)	(3,838)
Changes in operating assets and liabilities:		
Grants receivable	(8,662)	(21,535)
Deposits and other assets	-	251
Accounts payable and accrued expenses	(24,507)	29,572
Deferred grant revenue	98,469	-
Cash flows from operating activities	<u>57,537</u>	<u>34,942</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	<u>(4,695)</u>	<u>(3,900)</u>
Cash flows from investing activities	<u>(4,695)</u>	<u>(3,900)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from line of credit	-	22,975
Additional advance on amount due affiliate	-	53,160
Cash flows from financing activities	<u>-</u>	<u>76,135</u>
Change in cash and cash equivalents	52,842	107,177
Cash and cash equivalents, beginning of year	<u>130,805</u>	<u>23,628</u>
Cash and cash equivalents, end of year	<u>\$ 183,647</u>	<u>\$ 130,805</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	<u>\$ 4,331</u>	<u>\$ 4,167</u>

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

# CASA, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

---

### **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, 2020 and 2019, 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, 2020 and 2019.

*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, 2020 and 2019, 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, 2020 AND 2019*

---

**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 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, 2020 AND 2019

---

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

*Adoption of Accounting Standards* – In January 2016, FASB issued Accounting Standards Update (“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 was adopted effective July 1, 2019.

In June 2018, 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 a 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. CASA evaluated the new standard and determined the accounting standard did not require a change to its practices for recording contributions and grant revenues.

*Accounting Policies for Future Pronouncements* – In May 2014, 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 will be effective for CASA for the year ending June 30, 2021. CASA is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

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 balance sheet 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 income statement. 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.

### **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, 2020 AND 2019

### 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, 2020 and 2019:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 183,647	\$ 130,805
Grants receivable	37,290	28,628
Investments	6,128	6,128
Beneficial interest in agency endowment fund	59,667	57,027
Total financial assets	286,732	222,588
Less amounts not available to be used for general expenditures within one year:		
Board designations	59,667	57,027
Financial assets not available to be used within one year	59,667	57,027
Financial assets available to meet general expenditures within one year	\$ 227,065	\$ 165,561

See Note 14 regarding CASA's additional availability of resources resulting from the sale of its land and building on October 20, 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.

# CASA, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

### 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, 2020 and 2019.

*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, 2020 and 2019 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. The fair value of this investment was \$6,128 at June 30, 2020 and 2019.

### Note 4—Land, building, and equipment

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

	2020	2019
Land	\$ 28,600	\$ 28,600
Building	369,304	369,304
Office furniture and equipment	69,901	71,333
	<u>467,805</u>	<u>469,237</u>
Less accumulated depreciation	(246,287)	(237,039)
Land, building, and equipment, net	<u>\$ 221,518</u>	<u>\$ 232,198</u>

Depreciation expense totaled \$15,375 and \$21,039 for the years ended June 30, 2020 and 2019, 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, 2020 AND 2019

### Note 6—Deferred grant revenue

CASA received a Paycheck Protection Program Loan (“PPP Loan”) in the amount of \$98,469 during May of 2020. The PPP Loan is granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (the “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. CASA has deferred recognition of grant revenue for the year ended June 30, 2020 because the conditions for forgiveness have not yet been substantially met; however, CASA believes it will substantially meet the conditions required for forgiveness in the following year.

### 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, 2020 and 2019 was \$36,492 and \$3,656, respectively. Future minimum lease payments are as follows as of June 30, 2020:

#### Years Ending June 30,

2021	\$	16,238
2022		2,691
	\$	<u>18,929</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, 2020), 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 was outstanding at June 30, 2020 and 2019. The balance outstanding of \$68,738 was paid in full on October 20, 2020 (see Note 14).

### 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Revenues	\$ 81,434	\$ 176,326
Expenses	(54,338)	(81,179)
Excess of revenues over expenses	<u>\$ 27,096</u>	<u>\$ 95,147</u>

During the years ended June 30, 2020 and 2019, CASA received in-kind contributions totaling \$8,275 and \$13,358, respectively, which were included in special events revenue.



# **CASA, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2020 AND 2019*

---

### **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.

### **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, 2020 and 2019, grants receivable due from the single largest source totaled \$31,790 and \$17,959, or 85% and 63%, respectively, of grants receivable.

Contributors and granters providing at least \$10,000 of contributions and grants comprised \$488,272 or 65% of the total revenues, gains, and support for the year ended June 30, 2020, and \$176,250 or 22% for the year ended June 30, 2019.

### **Note 12—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, 2020 and 2019 were \$-0- and \$13,457, respectively. As of June 30, 2020 and 2019, CASA owed FCS approximately \$146,000 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 (See Note 14).

### **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.

### **Note 14—Subsequent events**

CASA evaluated subsequent events through February 19, 2021, when these financial statements were available to be issued. On October 20, 2020, CASA sold its land and building for \$1,050,000 and used some of the proceeds to pay off its line of credit balance owed of \$68,738 and the amount due affiliate of \$149,091, respectively. CASA is in the process of investing the remaining proceeds from the sale. CASA leased office space effective June 1, 2020 and the related commitment is included in Note 7.