

**COMMUNITY ACTION STOPS ABUSE, INC.  
AND AFFILIATE**

**Consolidated Financial Statements  
and Supplementary Information**

**June 30, 2020 and 2019  
(With Independent Auditor's Report Thereon)**

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4 - 5
Consolidated Statement of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 23
Supplementary Information:	
Schedule of Expenditures of Federal Awards	24 - 25
Notes to Schedule of Expenditures of Federal Awards	26
Consolidating Statement of Financial Position	27
Consolidating Statement of Activities	28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29 - 30
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	31 - 32
Schedule of Findings and Questioned Costs	33



**Mayer Hoffman McCann P.C.**

13577 Feather Sound Drive, Suite 400 ■ Clearwater, FL 33762  
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ [www.mhmcpa.com](http://www.mhmcpa.com)

## **Independent Auditor's Report**

To the Board of Directors of  
Community Action Stops Abuse, Inc. and Affiliate:

We have audited the accompanying consolidated financial statements of Community Actions Stops Abuse, Inc. and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the consolidated financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Action Stops Abuse, Inc. and Affiliate as of June 30, 2020 and the changes in their net assets, their functional expenses and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Consolidated Financial Statements**

The consolidated financial statements of Community Actions Stops Abuse, Inc. and Affiliate as of June 30, 2019 and for the year then ended, were audited by other auditors whose report dated September 13, 2019, expressed an unmodified opinion on those statements.

## **Other Matters**

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020 on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

*Mayer Hoffman McCann P.C.*

November 20, 2020  
Clearwater, Florida

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidated Statements of Financial Position**

**June 30, 2020 and 2019**

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Current assets:		
Cash and cash equivalents	\$ 1,183,897	598,219
Grants receivable	594,539	491,357
Current portion of contributions receivable	62,560	139,313
Current portion of gifted facility	12,743	11,981
Inventories	53,100	60,800
Prepaid expenses and other current assets	167,743	102,542
 Total current assets	 2,074,582	 1,404,212
Investments	473,522	2,821,269
Contributions receivable, less current portion	19,425	36,757
Gifted facility, less current portion	84,659	97,402
Notes receivable - new markets tax credit	6,288,400	6,288,400
Property and equipment, net	10,574,115	10,998,829
Interest in net assets of the Foundation	24,734	24,605
 Total assets	\$ 19,539,437	21,671,474
 <b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of mortgage notes payable	\$ -	283,150
Accounts payable	82,809	78,540
Accrued expenses	300,095	258,327
Refundable advances	400,323	-
 Total current liabilities	 783,227	 620,017
Long-term liabilities:		
Deferred payment mortgages	136,301	113,801
Mortgage notes payable, less current portion	1,732,426	3,886,019
Note payable - new markets tax credit	11,286,875	11,143,750
 Total long-term liabilities	13,155,602	15,143,570
 Total liabilities	 13,938,829	 15,763,587
Net assets:		
Without donor restrictions:		
Investment in property and equipment, net	3,706,913	1,860,509
Undesignated	1,647,106	3,646,205
	5,354,019	5,506,714
With donor restrictions	246,589	401,173
 Total net assets	5,600,608	5,907,887
 Total liabilities and net assets	\$ 19,539,437	21,671,474

See accompanying independent auditor's report and notes to consolidated financial statements.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidated Statement of Activities**

**For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Operating support and revenue:				
Public support:				
Net special event revenue	\$ 229,931	-	229,931	393,671
Contributions and donations	997,742	63,448	1,061,190	695,735
Government grants and contracts	<u>3,172,607</u>	<u>-</u>	<u>3,172,607</u>	<u>2,986,902</u>
	4,400,280	63,448	4,463,728	4,076,308
Revenue:				
Thrift store sales	629,308	-	629,308	737,609
In-kind revenue	637,008	-	637,008	758,742
Investment return	148,019	-	148,019	111,824
Interest income on notes receivable	62,884	-	62,884	62,884
Other income	3,818	-	3,818	4,469
Change in net assets of the Foundation	<u>129</u>	<u>-</u>	<u>129</u>	<u>42</u>
	1,481,166	-	1,481,166	1,675,570
Net assets released from restrictions:				
Expiration of time restrictions	166,928	(166,928)	-	-
Satisfaction of purpose restrictions	<u>26,104</u>	<u>(26,104)</u>	<u>-</u>	<u>-</u>
	193,032	(193,032)	-	-
Total operating support and revenue	6,074,478	(129,584)	5,944,894	5,751,878
Operating expenses:				
Program services:				
Domestic Violence	4,427,999	-	4,427,999	4,291,817
Thrift Store	946,393	-	946,393	1,086,162
Supporting services:				
General and Administrative	587,226	-	587,226	333,820
Development	<u>290,555</u>	<u>-</u>	<u>290,555</u>	<u>230,775</u>
Total expenses	6,252,173	-	6,252,173	5,942,574
Change in net assets before other changes	(177,695)	(129,584)	(307,279)	(190,696)
Other changes:				
Net assets released from restrictions:				
Satisfaction of capital expenditure restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Change in net assets	(152,695)	(154,584)	(307,279)	(190,696)
Net assets, beginning of year	<u>5,506,714</u>	<u>401,173</u>	<u>5,907,887</u>	<u>6,098,583</u>
Net assets, end of year	<u>\$ 5,354,019</u>	<u>246,589</u>	<u>5,600,608</u>	<u>5,907,887</u>

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidated Statement of Activities**

**For the Year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support and revenue:			
Public support:			
Net special event revenue	\$ 393,671	-	393,671
Contributions and donations	439,175	256,560	695,735
Government grants and contracts	2,986,902	-	2,986,902
	<u>3,819,748</u>	<u>256,560</u>	<u>4,076,308</u>
Revenue:			
Thrift store sales	737,609	-	737,609
In-kind revenue	758,742	-	758,742
Investment return	111,824	-	111,824
Interest income on notes receivable	62,884	-	62,884
Other income	4,469	-	4,469
Change in net assets of the Foundation	42	-	42
	<u>1,675,570</u>	<u>-</u>	<u>1,675,570</u>
Net assets released from restrictions:			
Expiration of time restrictions	186,346	(186,346)	-
Satisfaction of purpose restrictions	42,085	(42,085)	-
	<u>228,431</u>	<u>(228,431)</u>	<u>-</u>
Total operating support and revenue	5,723,749	28,129	5,751,878
Operating expenses:			
Program services:			
Domestic Violence	4,291,817	-	4,291,817
Thrift Store	1,086,162	-	1,086,162
Supporting services:			
General and Administrative	333,820	-	333,820
Development	230,775	-	230,775
Total expenses	<u>5,942,574</u>	<u>-</u>	<u>5,942,574</u>
Change in net assets before other changes	(218,825)	28,129	(190,696)
Other changes:			
Net assets released from restrictions:			
Satisfaction of capital expenditure restrictions	348,416	(348,416)	-
Change in net assets	129,591	(320,287)	(190,696)
Net assets, beginning of year	<u>5,377,123</u>	<u>721,460</u>	<u>6,098,583</u>
Net assets, end of year	<u>\$ 5,506,714</u>	<u>401,173</u>	<u>5,907,887</u>

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidated Statement of Functional Expenses**

**For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)**

	Program Services			Supporting Services			Total Expenses	
	Domestic Violence	Thrift Store	Total Program Services	General and Administrative	Development	Total Supporting Services	2020	2019
Personnel costs	\$ 2,643,954	205,538	2,849,492	365,432	153,188	518,620	3,368,112	3,014,835
Professional fees	76,448	10,693	87,141	54,034	9,280	63,314	150,455	183,628
Printing, advertising and awareness	8,813	398	9,211	10,184	2,537	12,721	21,932	19,192
Postage and direct mailings	89	-	89	2,101	5,834	7,935	8,024	14,191
Supplies	35,158	687	35,845	6,328	1,722	8,050	43,895	27,604
Information technology	37,752	3,758	41,510	6,958	2,337	9,295	50,805	46,456
Property management	182,300	23,995	206,295	43,067	16,734	59,801	266,096	239,246
Food and operating supplies	137,738	2,673	140,411	8,874	1,263	10,137	150,548	108,384
Client assistance	217,815	-	217,815	-	406	406	218,221	315,571
Insurance	77,735	10,840	88,575	11,115	2,138	13,253	101,828	92,029
Employee and volunteer development	36,267	1,676	37,943	20,048	1,584	21,632	59,575	65,292
Interest	344,733	1,714	346,447	997	349	1,346	347,793	371,013
Membership dues and licenses	945	145	1,090	16,173	3,128	19,301	20,391	23,512
Bank and merchant fees	3,243	17,893	21,136	12,209	-	12,209	33,345	33,069
Bad debt expense (recoveries)	-	-	-	-	86,397	86,397	86,397	(52,286)
Inkind expenses	-	637,008	637,008	-	-	-	637,008	758,742
Total expenses before depreciation and amortization	3,802,990	917,018	4,720,008	557,520	286,897	844,417	5,564,425	5,260,478
Depreciation and amortization	625,009	29,375	654,384	29,706	3,658	33,364	687,748	682,096
Total expenses	\$ 4,427,999	946,393	5,374,392	587,226	290,555	877,781	6,252,173	5,942,574

See accompanying independent auditor's report and notes to consolidated financial statements.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidated Statements of Cash Flows**

**For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (307,279)	(190,696)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation and amortization	687,748	682,096
Gain on sale of equipment	(204)	-
Realized and unrealized gains on investments	(87,606)	(37,723)
Change in net assets of the Foundation	(129)	(42)
Increase in grants receivable	(103,182)	(111,868)
Decrease in contributions receivable	94,085	194,546
Decrease in gifted facilities	11,981	11,269
Decrease (increase) in inventories	7,700	(8,200)
Increase in prepaid expenses and other assets	(65,201)	(23,943)
Increase in accounts payable	4,269	22,464
Increase in accrued expenses	41,768	38,093
Increase in refundable advances	400,323	-
Net cash provided by operating activities	<u>684,273</u>	<u>575,996</u>
Cash flows from investing activities:		
Purchases of investments	(420,782)	(1,793,336)
Proceeds received from sale of investments	2,856,135	1,788,271
Purchases of property and equipment	(113,237)	(55,686)
Proceeds received from sale of equipment	2,443	-
Net cash provided by (used in) investing activities	<u>2,324,559</u>	<u>(60,751)</u>
Cash flows from financing activities:		
Proceeds from issuance of deferred payment mortgages	22,500	-
Principal payments on mortgage notes payable	(4,176,467)	(283,150)
Proceeds from issuance of mortgage notes payable	1,730,813	-
Net cash used in financing activities	<u>(2,423,154)</u>	<u>(283,150)</u>
Net increase in cash and cash equivalents	585,678	232,095
Cash and cash equivalents at beginning of year	<u>598,219</u>	<u>366,124</u>
Cash and cash equivalents at end of year	\$ <u><u>1,183,897</u></u>	\$ <u><u>598,219</u></u>
Supplemental cash flow information:		
Cash paid for interest	\$ <u><u>380,793</u></u>	\$ <u><u>371,013</u></u>

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

### (1) **Organization and Summary of Significant Accounting Policies**

#### (a) **Description of Organization and Nature of Activities**

Community Action Stops Abuse, Inc. (“CASA”) is a Florida not-for-profit organization. CASA’s mission is to influence our community to stand up to silence through advocacy, empowerment, and social change to prevent and end domestic violence. CASA promotes social change through advocacy, community education, outreach, and support for victims/survivors of Intimate Partner Violence. CASA provides comprehensive services to empower survivors of Intimate Partner Violence and their families with a safe supportive emergency shelter environment; rapid rehousing; a 24-hour crisis hotline; support groups; youth programs; substance abuse advocacy; information and referral programs; justice advocacy; outreach to under-served populations; peacemakers programs to preschools, elementary and middle schools; a very active volunteer program; and a thrift shop. Funding is provided primarily through individual donors; local fundraising activities; federal, state, and local government grants; and a private foundation.

During 2014, Victoria’s Place St. Pete, Inc. (“Victoria’s Place”), a Florida not-for-profit organization, was formed to work in conjunction with CASA’s mission by constructing a 100-bed emergency shelter for domestic violence survivors.

Effective January 1, 2012, CASA’s board of directors approved formation of Community Action Stops Abuse Foundation, Inc. (the “Foundation”). CASA has recorded an interest in the net assets of the Foundation, since CASA and the Foundation are deemed to be financially interrelated. The net assets of the Foundation totaled \$24,734 and \$24,605 as of June 30, 2020 and 2019, respectively.

#### (b) **Principles of Consolidation**

The accompanying consolidated financial statements include the financial statements of CASA, and Victoria’s Place (collectively the “Organization” or “CASA”). All significant inter-organizational balances and transactions have been eliminated in consolidation.

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements - Continued

### (1) Organization and Summary of Significant Accounting Policies - Continued

#### (c) Financial Statement Presentation

These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net Assets Without Donor Restrictions* include net assets that are not subject to donor-imposed stipulations and net assets that have been designated for a specific purpose by the Board of Directors of the Organization.

*Net Assets With Donor Restrictions* represent those amounts which are not available until future periods or are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as released from restrictions.

The consolidated statement of functional expenses includes certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2019, from which the summarized comparative information was derived.

#### (d) Cash Equivalents

For purposes of the statements of cash flows, CASA considers all highly liquid investments with a maturity of three months or less at time of purchase to be cash equivalents.

#### (e) Contributions

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. 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. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements - Continued

### (1) Organization and Summary of Significant Accounting Policies - Continued

#### (e) Contributions - Continued

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The Organization received cost-reimbursable grants of approximately \$1,718,000 that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred.

#### (f) Accounts Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end and are primarily due from Federal and State governmental agencies. Based on management's assessment of the credit history with parties having outstanding balances and current relationships with them, management has concluded that an allowance for doubtful accounts is not necessary as of June 30, 2020 and 2019.

Contributions receivable are comprised of unconditional promises to give and are stated at the amount management expects to collect from outstanding balances. The carrying amount of contributions receivable is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. At the time contributions are determined by management to be uncollectible, the contributions are charged against this allowance.

#### (g) Inventories

Inventories of thrift store merchandise consist of donated clothes and miscellaneous household items and are recorded at estimated fair value when contributed based on an average turnover rate which is not in excess of expected realizable amounts.

#### (h) Property and Equipment

Property and equipment with a cost in excess of \$1,000 are capitalized, if purchased, or at estimated fair value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, except for leasehold improvements, which are amortized over the shorter of the lease term or the useful life of the leased asset.

Property acquired with governmental funds is considered to be owned by CASA while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds therefrom is subject to applicable regulations.

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements - Continued

### (1) **Organization and Summary of Significant Accounting Policies - Continued**

#### (i) **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair value in the Organization's consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities. Restrictions on investment earnings are reported as increases in net assets without donor restrictions if the restrictions are satisfied in the fiscal year in which the earnings are recognized.

#### (j) **Unamortized Loan Costs**

The Organization presents loan costs as a reduction of long-term debt in accordance with Accounting Standards Codification ("ASC") Topic 835, *Interest*, in the accompanying consolidated statements of financial position. Loan costs are amortized over the life of the related loan and recorded as interest expense in the accompanying consolidated statements of activities.

#### (k) **Income Taxes**

CASA and Victoria's Place have been recognized as exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been presented in these consolidated financial statements. CASA and Victoria's Place have not reported any unrelated business income; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities.

The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax filings for tax years after 2016 remain subject to examination by federal and state taxing authorities.

#### (l) **Functional Expense Allocations**

The costs of providing CASA's various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Expenses directly attributable to a specific functional area of CASA are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on a square footage analysis for all indirect occupancy-related expenses.

#### (m) **Donated Materials and Services**

Donations of materials are recorded as support at their estimated fair value at the date of donation. Donations of services are recorded as support at their estimated fair value if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In fiscal 2020 and 2019, materials donated to the Thrift Store program were \$637,008 and \$758,742, respectively. There were no in-kind professional services received in 2020 or 2019.

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements - Continued

### (1) **Organization and Summary of Significant Accounting Policies - Continued**

#### (n) **Estimates in Consolidated Financial Statements**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### (o) **Going Concern Evaluation**

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

#### (p) **Reclassifications**

Certain amounts in the 2019 consolidated financial statements have been reclassified to conform with the 2020 presentation.

#### (q) **Recent Accounting Pronouncements**

On July 1, 2019, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective transition method. As part of the adoption, the Organization has evaluated each of the five steps of ASC Topic 606 which are as follows: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations; and (5) Recognize revenue when (or as) performance obligations are satisfied. The Organization derives its revenues from the sale of goods in the Thrift Store program. As part of the adoption of ASU No. 2014-09, the Organization applied the practical expedient to use the portfolio approach to assess contracts and performance obligations. The Organization recognizes Thrift Store sales at a point in time when the items are sold since there are no continuing performance obligations thereafter. The adoption of Topic 606 had no impact on revenue recognition for Thrift Store sales.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(1) Summary of Significant Accounting Policies - Continued**

**(q) Recent Accounting Pronouncements - Continued**

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit-Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit-Entities*, or as exchange (reciprocal) transactions subject to other guidance; and (2) determining whether a contribution is conditional. The contribution standard was applied using the modified retrospective method. This method was applied to transactions that were not complete or had otherwise already been recognized as of July 1, 2019. Adoption of the new standard did not have material impact on the Organization's fiscal 2020 results. In evaluating the effects of the change, contributions in process as of the date of adoption were considered.

**(r) Subsequent Events Evaluation**

Management has evaluated all events subsequent to the consolidated statement of financial position date of June 30, 2020 through November 20, 2020, the date these consolidated financial statements were available to be issued. Management determined that there are no subsequent events which would require adjustment to or disclosure in the accompanying consolidated financial statements.

**(2) Investments**

At June 30, 2020 and 2019, the cost and market values of investments were as follows:

	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money market funds	\$ 5,837	5,837	68,925	68,925
Fixed income:				
Corporate bonds	374,775	390,583	175,000	177,246
Mutual funds	-	-	462,185	464,082
U.S. Treasury and Agency obligations	75,080	77,102	856,007	849,132
Equity:				
Mutual funds	-	-	1,033,375	1,070,159
Alternative strategies	-	-	121,515	122,086
Real asset funds	-	-	65,452	69,639
	<u>\$ 455,692</u>	<u>473,522</u>	<u>2,782,459</u>	<u>2,821,269</u>

The Organization's investments in equity and debt securities are not concentrated in a single entity or in a few entities, nor are there any specific industry concentrations.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(2) Investments - Continued**

In 2020, the Organization has entered into an agreement with Community Foundation of Tampa Bay (“Community Foundation”) pursuant to which the Community Foundation has established “The David and Virginia Baldwin Endowment for CASA” (the “Endowment Fund”) for the purpose of allowing donors to make contributions to the Community Foundation for the benefit of CASA. Contributions to the Endowment Fund are not reflected in CASA’s consolidated financial statements as the Community Foundation retains the right to re-direct assets held in the Endowment Fund. As of June 30, 2020, the market value of the Endowment Fund, as reported by the Community Foundation, was \$1,292,887. For the year ended June 30, 2020, the Endowment Fund distributed \$30,781 of earnings to CASA.

Investment return for the years ended June 30, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Dividend and interest income	\$ 72,728	88,202
Realized and unrealized gains	87,606	37,723
Investment management fees	<u>(12,315)</u>	<u>(14,101)</u>
	<u>\$ 148,019</u>	<u>111,824</u>

**(3) Contributions Receivable**

Contributions receivable consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Special events	\$ 125,134	168,287
Sunshine and Hope Campaign	<u>10,700</u>	<u>35,700</u>
	135,834	203,987
Less allowance for doubtful accounts	(52,935)	(27,038)
Less unamortized discount	<u>(914)</u>	<u>(879)</u>
Total	<u>\$ 81,985</u>	<u>176,070</u>
Amounts due in:		
Less than one year	\$ 115,495	166,351
One to five years	<u>20,339</u>	<u>37,636</u>
	<u>\$ 135,834</u>	<u>203,987</u>

Contributions receivable due from trustees, staff, and board members total approximately \$9,800 and \$13,700 as of June 30, 2020 and 2019, respectively. Contributions receivable in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 1.80%.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(4) Gifted Facilities**

Gifted facilities refers to two parcels of land that are used for transitional housing. In fiscal years 1998 and 1997 CASA entered into lease agreements for two parcels of land with a local hospital (“Landlord”). In July 2012, the 1998 lease was extended to February 2021. In September 2016, the 1997 lease was extended to September 2042. Accordingly, the Organization has recorded a gifted facility contribution which represents the present value of the excess of the aggregate fair rental value of the land lease over below market rent payments due over the remaining term of the lease.

Recognition of the fair value of this lease as of and for the years ended June 30, 2020 and 2019 is summarized below:

Fair value of gifted facility at June 30, 2018	\$	120,652
Recognition of fair value of gifted land lease		4,618
Recognition of rent expense for the year ended June 30, 2019		<u>(15,887)</u>
Fair value of gifted facility at June 30, 2019		109,383
Recognition of fair value of gifted land lease		3,906
Recognition of rent expense for the year ended June 30, 2020		<u>(15,887)</u>
Fair value of gifted facility at June 30, 2020		97,402
Current portion of gifted facility		<u>12,743</u>
Gifted facility, less current portion	\$	<u><u>84,659</u></u>

**(5) Property and Equipment**

Property and equipment consist of the following at June 30, 2020 and 2019:

	<u>Estimated Useful Lives</u>	<u>2020</u>	<u>2019</u>
Land	-	\$ 932,100	932,100
Building and improvements	5 - 39 years	11,631,683	11,631,683
Leasehold improvements	5 - 20 years	1,557,618	1,557,618
Furniture and equipment	3 - 15 years	1,354,421	1,243,625
Vehicles	5 years	<u>117,313</u>	<u>117,313</u>
		15,593,135	15,482,339
Less accumulated depreciation		<u>5,019,020</u>	<u>4,483,510</u>
Net property and equipment		\$ <u><u>10,574,115</u></u>	<u><u>10,998,829</u></u>

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 was \$535,712 and \$534,800, respectively.

## COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

### Notes to Consolidated Financial Statements - Continued

#### (6) New Markets Tax Credit Program

During the year ended June 30, 2014, CASA completed a \$12 million transaction (“Transaction”) under federal and state of Florida New Markets Tax Credit Programs (“Program”) with Florida Community New Markets Fund, FCLF Florida NMTC Investment Fund, and Stonehenge Florida NMTC Investment Fund and their affiliates. As part of the Transaction, CASA was required to create a new affiliated entity, Victoria’s Place St. Pete, Inc. (“Victoria’s Place”), with CASA as the sole member. Victoria’s Place used the proceeds to construct a new 100-bed emergency shelter for survivors of domestic violence (the “Shelter”) pursuant to and in accordance with the Concession and Service Agreements between Victoria’s Place and CASA. CASA operates the shelter.

The Transaction includes a gross subsidy to the Organization of \$5,141,600, which represents the amount of long-term debt expected to be extinguished and forgiven at the conclusion of the Transaction. The Transaction resulted in two notes receivable from Stonehenge Florida NMTC Investment Fund and FCLF Florida in the amounts of \$2,263,400 and \$4,025,000, respectively, and three notes payable to Florida Community New Markets Fund XIV, LLC in the total amount of \$11,430,000.

The difference between the notes payable and notes receivable of \$5,141,600 represents the gross subsidy to the Organization for participation in the Program. On the date of closing, May 29, 2014, the Organization incurred fees and costs related to the closing of the Transaction of \$757,122, leaving a remaining balance of \$4,384,478, the net subsidy. The remaining subsidy is intended to cover fees and costs related to the Organization’s continued participation in the program in accordance with the Concession and Service Agreement.

Notes receivable from participants accrue interest at 1% and are received quarterly. Beginning July 1, 2021 principal and interest will be received annually sufficient to fully amortize the notes, with the final payment due April 10, 2043.

The three notes payable in the amounts of \$4,762,500; \$4,579,327; and \$2,088,173 accrue interest at 1.928% payable quarterly. Beginning October 1, 2021, principal and interest will be payable quarterly sufficient to fully amortize the loans, with final payment due October 1, 2044.

Loan costs incurred in connection with the issuance of New Market Tax Credit Program debt are presented as a reduction of notes payable - new markets tax credit and are being amortized over the term of the loans.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(6) New Markets Tax Credit Program - Continued**

The components of notes payable - new market tax credit as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Notes payable - new market tax credit	\$ 11,430,000	11,430,000
Less unamortized loan costs	<u>(143,125)</u>	<u>(286,250)</u>
Notes payable - new market tax credit, net	<u>\$ 11,286,875</u>	<u>11,143,750</u>

Amortization expense related to the loan costs was \$143,125 and \$92,311 for the years ended June 30, 2020 and 2019, respectively. Interest expense was \$220,370 for each of the years ended June 30, 2020 and 2019.

The Transaction also includes the following agreements:

*Federal Investment Fund:* Investment Fund Put and Call Agreement. U.S. Bancorp Community Development Corporation (“USBCDC”) can elect to have the Organization purchase USBCDC’s investment in the Transaction at a purchase price equal to the sum of (1) \$1,000; (2) taxes and closing costs; (3) any amounts due from Victoria’s Place; (4) accrued and unpaid annual management fee (“Put Option”). In the event that USBCDC has not exercised the Put Option, the Organization can elect to purchase USBCDC’s investment in the Transaction (“Call Option”). The Organization can exercise the Call Option on the 180<sup>th</sup> day following the seventh anniversary of the Transaction. The purchase price of USBCDC’s interest shall be an amount equal to the greater of (1) the fair market value of the interest as agreed to by USBCDC and the Organization or, if an amount cannot be agreed upon, the price shall be determined by an independent appraiser; and (2) the put option price.

*State Investment Fund 1:* State Investment Fund Call Agreement (“State Fund 1”). The Organization can elect to purchase FCLF Florida NMTC Investment Fund’s investment in the Transaction. The Organization can exercise the Call Option on the 180<sup>th</sup> day following the seventh anniversary of the Transaction. The purchase price of FCLF Florida NMTC Investment Fund’s interest shall be an amount equal to the greater of (1) the fair market value of the interest as agreed to by FCLF Florida NMTC Investment Fund and the Organization or, if an amount cannot be agreed upon, the price shall be determined by an independent appraiser; and (2) the aggregate amount of principal and interest due and owing by FCLF Florida NMTC Investment Fund on the loan receivable as of the call closing date.

*State Investment Fund 2:* State Investment Fund Call Agreement (“State Fund 2”). The Organization can elect to purchase Florida Community New Markets Fund XIV investment in the Transaction. The Organization can exercise the Call Option on the 180<sup>th</sup> day following the seventh anniversary of the Transaction. The purchase price of Florida Community New Markets Fund XIV’s interest shall be an amount equal to the greater of (1) the fair market value of the interest as agreed to by Florida Community New Markets Fund XIV and the Organization or, if an amount cannot be agreed upon, the price shall be determined by an independent appraiser; and (2) the aggregate amount of principal and interest due and owing by Florida Community New Markets Fund XIV on the loan receivable as of the call closing date.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(7) Deferred Payment Mortgages**

In 2016, the City of St. Petersburg provided financing through a deferred payment mortgage to renovate certain facilities funded by the US Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) Program. As a condition of the CDBG funding, the Organization must continue the programs associated with the grant at these facilities for a period of five years through December 2021. If the programs associated with the grant are terminated prior to the maturity date, the entire principal balance shall become immediately due and payable. At both June 30, 2020 and 2019, the outstanding balance of the deferred payment mortgage was \$113,801.

In 2019, the City of St. Petersburg provided financing through a deferred payment mortgage to renovate certain facilities funded by the HUD CDBG Program. As a condition of the CDBG funding, the Organization must continue the programs associated with the grant at these facilities for a period of five years through December 2024. If the programs associated with the grant are terminated prior to the maturity date, the entire principal balance shall become immediately due and payable. At June 30, 2020, the outstanding balance of the deferred payment mortgage was \$22,500.

**(8) Mortgage Notes Payable**

Mortgage notes payable consist of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Mortgage note payable to a commercial bank at 3.45% interest; due in monthly installments of interest only through October 15, 2015, at which time principal and interest payments are due monthly; matures on March 31, 2021. The term loan promissory note is subject to certain financial covenants and secured by real estate, capital campaign pledges, and \$1.5 million of investments. The loan was paid in full in 2020.	\$ -	4,176,467
Mortgage note payable to a defined benefit plan at 7.5% interest; interest only payments of \$8,470 due monthly through maturity with a final balloon payment due April 30, 2023. Secured by a 2nd mortgage on certain real property and equipment.	1,355,200	-
Mortgage note payable to a defined benefit plan at 7.5% interest; interest only payments of \$2,530 due monthly through maturity with a final balloon payment due April 30, 2023. Secured by a 2nd mortgage on certain real property and equipment.	<u>404,800</u>	<u>-</u>
Total mortgage notes payable	1,760,000	4,176,467
Less current installments	-	283,150
Less unamortized debt service costs	<u>27,574</u>	<u>7,298</u>
Mortgage notes payable, excluding current installments	<u>\$ 1,732,426</u>	<u>3,886,019</u>

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(8) Mortgage Notes Payable - Continued**

The aggregate maturities of mortgage notes payable for each of the three years subsequent to June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	
2021	\$ -
2022	-
2023	<u>1,760,000</u>
	<u>\$ 1,760,000</u>

**(9) Refundable Advances**

CASA and Victoria's Place applied for and received forgivable Paycheck Protection Loans in the amounts of \$577,420 and \$14,500, respectively, as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loans were funded on May 4, 2020 and May 8, 2020, respectively. Under the terms of the loans, the balances are forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through October 19, 2020 and October 23, 2020, respectively, and that certain employment levels are maintained. To the extent a portion of the loans do not meet the criteria to be forgiven, such amounts are due on May 4, 2022 (CASA) and May 8, 2022 (Victoria's Place) and bear interest at a rate of 1%. Through June 30, 2020, the Organization has used \$191,597 of the proceeds on qualified costs and such amounts have been reported as grant revenue with an offsetting reduction to the refundable advances on the accompanying consolidated statement of financial position. The Organization anticipates using all of the proceeds for eligible costs and expects the loans to be entirely forgiven. A formal request for forgiveness will be submitted after the performance period outlined above.

## COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

### Notes to Consolidated Financial Statements - Continued

#### (10) Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to time restrictions:		
Outstanding promises to give	\$ 81,985	176,070
Gifted facilities	97,402	109,383
Other	-	27,918
	<u>179,387</u>	<u>313,371</u>
Subject to use restrictions:		
Shelter programs	27,141	34,436
Youth programs	7,473	14,278
Outreach programs	7,588	14,088
Thrift Store program	25,000	25,000
	<u>67,202</u>	<u>87,802</u>
Total net assets with donor restrictions	<u>\$ 246,589</u>	<u>401,173</u>

#### (11) Fair Value Measurements

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are money market mutual funds, fixed income mutual funds, equity mutual funds, and real asset funds.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments included in Level 2 are corporate bonds and certain U.S. government and agency obligations.

Level 3: Valuation is based on unobservable inputs.

There have been no changes in the valuation methodologies used at June 30, 2020 and 2019. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(11) Fair Value Measurements - Continued**

Fair value of assets measured on a recurring basis at June 30, 2020 and 2019 are as follows:

	Fair Value at June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market funds	\$ 5,837	5,837	-	-
Fixed income:				
Corporate bonds	390,583	-	390,583	-
U.S. Treasury and Agency obligations	77,102	-	77,102	-
Total investments at fair value	\$ 473,522	5,837	467,685	-

  

	Fair Value at June 30, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market funds	\$ 68,925	68,925	-	-
Fixed income:				
Corporate bonds	177,246	-	177,246	-
Mutual funds	464,082	464,082	-	-
U.S. Treasury and Agency obligations	849,132	-	849,132	-
Equity:				
Mutual funds	1,070,159	1,070,159	-	-
Alternative strategies	122,086	122,086	-	-
Real asset funds	69,639	69,639	-	-
Total investments at fair value	\$ 2,821,269	1,794,891	1,026,378	-

**(12) Concentrations of Credit Risk**

The Organization maintains cash balances at two financial institutions. Cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor. At June 30, 2020, cash balances exceeded federal deposit insurance limits by approximately \$682,000.

Substantially all of the Organization's activities are supported by funds provided by various federal agencies, including pass-through awards received from the State of Florida Department of Children and Families, under cost reimbursement contracts. The Organization also receives direct federal support from the U.S. Department of Housing and Urban Development, and local support from Pinellas County and the City of St. Petersburg.

At June 30, 2020, the Organization's receivables from three funding sources represented approximately 84% of grant receivables. Revenues from three local, state, and federal contract awards represented approximately 65% of total support and revenue for the year ended June 30, 2020. At June 30, 2019, the Organization's receivables from five funding sources represented approximately 92% of grant receivables. Revenues from three local, state, and federal contract awards represented approximately 69% of total support and revenue for the year ended June 30, 2019.

## COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

### Notes to Consolidated Financial Statements - Continued

#### (13) Contingencies

The Organization routinely enters into grant agreements with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's consolidated financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying consolidated financial statements.

During the years ended June 30, 2015 and 2014, the Organization received a total of \$2,370,364 and \$129,636, respectively, totaling \$2.5 million, from the State of Florida Department of Children and Families through a Fixed Capital Outlay Grants and Aids for the purchase and construction of the 100-bed emergency shelter. Under the terms of this program, the Organization must use the facility as a domestic violence shelter for 20 years. The funder may require repayment of the grant if the Organization does not use the property for its intended use during the specified time. It is the intent of the Organization to maintain and use the shelter for the entire 20-year period.

During the year ended June 30, 2017, the Organization received a total of \$287,830 from Pinellas County through the Community Development Block Grant Program ("CDBG") for the purchase and installation of solar panels at the 100-bed emergency shelter. Under the terms of this program, the Organization must maintain the shelter and benefit area residents, and 51% of the households benefiting from services shall be households whose annual incomes do not exceed 80% of the median family income for the area, as determined and made available by U.S. Department of Housing and Urban Development, for 13 years. The funder may require repayment of the grant if the Organization does not use the property for its intended use during the specified time. It is the intent of the Organization to maintain and use the shelter for the entire 13-year period.

#### (14) Matching Requirements

The Organization receives a substantial portion of its support from various funding sources which require a local match. The Organization has satisfied all of its matching requirements through local grants and by incurring sufficient eligible expenses.

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements - Continued**

**(15) Risks and Uncertainties**

The novel coronavirus (“COVID-19”) spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect operations through the remainder of 2020, although such effects may vary significantly. The Organization’s operations have not been significantly impacted, however, the duration and extent of the pandemic and its effects over longer terms cannot be reasonably estimated as of the date the consolidated financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of any potential curtailment of program activities and the long-term effect on demand for the Organization’s services. Accordingly, significant estimates used in the preparation of the consolidated financial statements including those associated with evaluations of certain long-lived assets for impairment and expected credit losses on amounts owed to the Organization may be subject to significant adjustments in future periods.

**(16) Liquidity and Availability of Resources**

CASA is supported by contributions with and without donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization’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. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash and investments. As of June 30, 2020 and 2019, the Organization’s financial assets available to meet general expenditures within one year were as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,183,897	598,219
Grants receivable	594,539	491,357
Contributions receivable	81,985	176,070
Investments	473,522	2,821,269
Notes receivable - new markets tax credit	<u>6,288,400</u>	<u>6,288,400</u>
 Financial assets available to meet cash needs for general expenditures	 8,622,343	 10,375,315
 Less those unavailable for general expenditures within one year due to:		
Donor use restrictions	67,202	87,802
Time restrictions	20,339	64,675
Less investments subject to financial covenants	-	1,500,000
Notes receivable restricted for future periods	<u>6,288,400</u>	<u>6,288,400</u>
 Financial assets available to meet cash needs for general expenditures	 <u>\$ 2,246,402</u>	 <u>2,434,438</u>

**SUPPLEMENTARY INFORMATION**

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2020**

Federal Agency/Pass-through Entity/ Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>				
Child and Adult Care Food Program				
Passed through Florida Department of Health	10.558	H-4807	\$ 38,190	-
Total Child and Adult Care Food Program			<u>38,190</u>	<u>-</u>
Total U.S. Department of Agriculture			38,190	-
<b>U.S. Department of Housing and Urban Development</b>				
<i>CDBG Entitlement Grants Cluster:</i>				
Community Development Block Grant/Entitlement Grants	14.218			
Passed through City of Largo, Florida		B-18-MC-12-0028	4,250	-
Passed through City of St. Petersburg, Florida		2016 Mortgage	113,801	-
Passed through City of St. Petersburg, Florida		2019 Mortgage	22,500	-
Passed through County of Pinellas, Florida		B-18-UC-12-0005	7,643	-
Passed through County of Pinellas, Florida		B-19-UC-12-0005	41,427	-
Total CDBG Entitlement Grants Cluster			<u>189,621</u>	<u>-</u>
Emergency Solutions Grant Program	14.231			
Passed through City of St. Petersburg, Florida		E-18-MC-12-0017	7,907	-
Passed through City of St. Petersburg, Florida		E-19-MC-12-0017	42,492	-
Total Emergency Solutions Grant Program			<u>50,399</u>	<u>-</u>
Continuum of Care Program	14.267			
Total Continuum of Care Program		FL-0447L4H021705 FL-0447L4H021806	82,868 <u>108,302</u> <u>191,170</u>	- - -
Total U.S. Department of Housing and Urban Development			431,190	-
<b>U.S. Department of Justice</b>				
Crime Victim Assistance	16.575			
Passed through Florida Coalition Against Domestic Violence		19-2206-CPI-VOCA	15,296	-
Passed through Florida Coalition Against Domestic Violence		20-2206-CPI-VOCA	26,227	-
Passed through Florida Coalition Against Domestic Violence		19-2206-IFP-LEGAL-VOCA	47,615	-
Passed through Florida Coalition Against Domestic Violence		20-2206-IFP-LEGAL-VOCA	134,581	-
Passed through Florida Office of the Attorney General		20-2206-CPI-VOCA	8,217	-
Passed through Florida Office of the Attorney General		20-2206-IFP-LEGAL-VOCA	50,243	-
Passed through Florida Office of the Attorney General		VOCA-2018-Community Action Stops Ab-00007	174,807	-
Passed through Florida Office of the Attorney General		VOCA-2019-Community Action Stops Ab-00443	503,782	-
Total Crime Victim Assistance			<u>960,768</u>	<u>-</u>
Violence Against Women Formula Grants	16.588			
Passed through Florida Coalition Against Domestic Violence		20-2206-BIP	18,428	-
Passed through Florida Department of Children and Families		LN039	5,712	-
Total Violence Against Women Formula Grants			<u>24,140</u>	<u>-</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590			
Passed through County of Pinellas, Florida		OVW2018	31,197	-
Total Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			<u>31,197</u>	<u>-</u>
Total U.S. Department of Justice			1,016,105	-

(Continued)

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Schedule of Expenditures of Federal Awards - Continued**

<u>Federal Agency/Pass-through Entity/ Federal Program</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Health and Human Services</b>				
<i>TANF Cluster:</i>				
Temporary Assistance for Needy Families	93.558			
Passed through Florida Coalition Against Domestic Violence, Inc.		20-2206-DVS	\$ 125,674	-
Passed through Florida Department of Children and Families		LN040	13,375	-
Total TANF Cluster			<u>139,049</u>	<u>-</u>
 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	 93.671			
Passed through Florida Coalition Against Domestic Violence, Inc.		20-2206-DVS	101,027	-
Passed through Florida Department of Children and Families		LN040	22,999	-
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			<u>124,026</u>	<u>-</u>
 Total U.S. Department of Health and Human Services			 263,075	 -
<b>U.S. Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	97.024			
Passed through United Way Worldwide		36-1694-00 016 E1	7,706	-
Total Child and Adult Care Food Program			<u>7,706</u>	<u>-</u>
 Total U.S. Department of Homeland Security			 7,706	 -
 Total Expenditures of Federal Awards			 <u>\$ 1,756,266</u>	 <u>-</u>

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Notes to Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2020**

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Community Action Stops Abuse, Inc. and Affiliate under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Community Action Stops Abuse, Inc. and Affiliate, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of Community Action Stops Abuse, Inc. and Affiliate.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**(3) Other**

The accompanying Schedule includes federal expenditures awarded by pass-through agencies. Expenditures of certain federal programs were awarded to Community Action Stops Abuse, Inc. and Affiliate by more than one pass-through agency or under more than one contract.

The Organization has elected not to use the 10% de minimus rate allowed under the Uniform Guidance.

**(4) Loans**

Loans outstanding at the beginning of the year and loans received during the year, if any, are included in the federal expenditures presented in the Schedule. The balance of outstanding loans as of June 30, 2020 consists of:

<u>CFDA Number</u>	<u>Federal Program</u>	<u>Balance at June 30, 2020</u>
14.218	Community Development Block Grants/Entitlement Grants	\$ 113,801
14.218	Community Development Block Grants/Entitlement Grants	22,500

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidating Statement of Financial Position**

**June 30, 2020**

<b>Assets</b>	<b>Community Action Stops Abuse, Inc.</b>	<b>Victoria's Place St. Pete, Inc.</b>	<b>Eliminations</b>	<b>Consolidated Totals</b>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,088,102	95,795	-	1,183,897
Grants receivable	594,539	-	-	594,539
Current portion of contributions receivable	62,560	-	-	62,560
Current portion of gifted facility	12,743	-	-	12,743
Inventories	53,100	-	-	53,100
Due from affiliate	-	1,230,460	(1,230,460)	-
Prepaid expenses and other current assets	167,743	-	-	167,743
<b>Total current assets</b>	<b>1,978,787</b>	<b>1,326,255</b>	<b>(1,230,460)</b>	<b>2,074,582</b>
Investments	473,522	-	-	473,522
Contributions receivable, less current portion	19,425	-	-	19,425
Gifted facility, less current portion	84,659	-	-	84,659
Notes receivable - new markets tax credit	6,288,400	-	-	6,288,400
Property and equipment, net	1,719,204	8,854,911	-	10,574,115
Investment in subsidiary	(1,112,122)	-	1,112,122	-
Interest in net assets of the Foundation	24,734	-	-	24,734
<b>Total assets</b>	<b>\$ 9,476,609</b>	<b>10,181,166</b>	<b>(118,338)</b>	<b>19,539,437</b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Current portion of mortgage notes payable	\$ -	-	-	-
Accounts payable	82,809	-	-	82,809
Accrued expenses	294,105	5,990	-	300,095
Refundable advances	399,900	423	-	400,323
Due to related party	1,230,460	-	(1,230,460)	-
<b>Total current liabilities</b>	<b>2,007,274</b>	<b>6,413</b>	<b>(1,230,460)</b>	<b>783,227</b>
<b>Long-term liabilities:</b>				
Deferred payment mortgages	136,301	-	-	136,301
Mortgage notes payable, less current portion	1,732,426	-	-	1,732,426
Note payable - new markets tax credit	-	11,286,875	-	11,286,875
<b>Total long-term liabilities</b>	<b>1,868,727</b>	<b>11,286,875</b>	<b>-</b>	<b>13,155,602</b>
<b>Total liabilities</b>	<b>3,876,001</b>	<b>11,293,288</b>	<b>(1,230,460)</b>	<b>13,938,829</b>
<b>Net assets:</b>				
Without donor restrictions	5,354,019	(1,112,122)	1,112,122	5,354,019
With donor restrictions	246,589	-	-	246,589
<b>Total net assets</b>	<b>5,600,608</b>	<b>(1,112,122)</b>	<b>1,112,122</b>	<b>5,600,608</b>
<b>Total liabilities and net assets</b>	<b>\$ 9,476,609</b>	<b>10,181,166</b>	<b>(118,338)</b>	<b>19,539,437</b>

**COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE**

**Consolidating Statement of Activities**

**For the Year Ended June 30, 2020**

	<u>Community Action Stops Abuse, Inc.</u>	<u>Victoria's Place St. Pete, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
Operating support and revenue:				
Public support:				
Net special event revenue	\$ 229,931	-	-	229,931
Contributions and donations	1,061,190	-	-	1,061,190
Government grants and contracts	3,158,530	14,077	-	3,172,607
	<u>4,449,651</u>	<u>14,077</u>	<u>-</u>	<u>4,463,728</u>
Revenue:				
Thrift store sales	629,308	-	-	629,308
In-kind revenue	637,008	-	-	637,008
Investment return	148,019	-	-	148,019
Interest income on notes receivable	62,884	-	-	62,884
Management fees	-	516,200	(516,200)	-
Other income	3,818	-	-	3,818
Change in net assets of the Foundation	129	-	-	129
	<u>1,481,166</u>	<u>516,200</u>	<u>(516,200)</u>	<u>1,481,166</u>
Total operating support and revenue	5,930,817	530,277	(516,200)	5,944,894
Operating expenses:				
Program services:				
Domestic Violence	4,123,628	820,571	(516,200)	4,427,999
Thrift Store	946,393	-	-	946,393
Supporting services:				
General and Administrative	587,226	-	-	587,226
Development	290,555	-	-	290,555
Total expenses	5,947,802	820,571	(516,200)	6,252,173
Other changes:				
Equity in losses of affiliate	(290,294)	-	290,294	-
Change in net assets	(307,279)	(290,294)	290,294	(307,279)
Net assets, beginning of year	<u>5,907,887</u>	<u>(821,828)</u>	<u>821,828</u>	<u>5,907,887</u>
Net assets, end of year	<u>\$ 5,600,608</u>	<u>(1,112,122)</u>	<u>1,112,122</u>	<u>5,600,608</u>



**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
Community Action Stops Abuse, Inc. and Affiliate:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Action Stops Abuse, Inc. and Affiliate (the “Organization”), which comprise the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated November 20, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of the obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Mayer Hoffman McCann P.C.*

November 20, 2020  
Clearwater, Florida



**Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors of  
Community Action Stops Abuse, Inc. and Affiliate:

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

We have audited Community Action Stops Abuse, Inc. and Affiliate’s (the “Organization”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization’s major federal program for the year ended June 30, 2020. The Organization’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for the Organization’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization’s compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mayer Hoffman McCann P.C.*

November 20, 2020  
Clearwater, Florida

# COMMUNITY ACTION STOPS ABUSE, INC. AND AFFILIATE

## Summary of Findings and Questioned Costs

For the Year Ended June 30, 2020

### (A) Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the consolidated financial statements of Community Action Stops Abuse, Inc. and Affiliate.
2. No significant deficiencies or material weaknesses relating to the audit of the consolidated financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of Community Action Stops Abuse, Inc. and Affiliate which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for Community Action Stops Abuse, Inc. and Affiliate expresses an unmodified opinion.
6. Audit findings, if any, relative to the major federal award program that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in Part C of this Schedule.
7. The program tested as a major federal program was:  
  
Crime Victim Assistance (CFDA 16.575)
8. The threshold for distinguishing Types A and B programs was \$750,000 for major federal programs.
9. Community Action Stops Abuse, Inc. and Affiliate were determined to be low-risk auditees.

### (B) Findings - Audit of Consolidated Financial Statements

None.

### (C) Findings and Questioned Costs - Major Federal Award Program Audit

None.

### (D) Other Matters

None.