

CAIR FLORIDA, INC  
FINANCIAL REPORT  
December 31, 2020

## TABLE OF CONTENTS

	<b><u>PAGE</u></b>
Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6

## Independent Auditors' Report

Board of Directors  
CAIR FLORIDA INC

### Report on the Financial Statements

We have audited the accompanying financial statements of CAIR FLORIDA INC, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit 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.

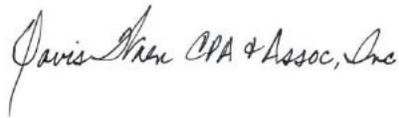
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 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 financial statements referred to above present fairly, in all material respects, the financial position of CAIR FLORIDA, INC as of December 31, 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'DavisWren CPA & Assoc, Inc'.

Tampa, FL  
05/27/2021

**CAIR FLORIDA, INC**  
**Statement of Financial Position**  
**December 31, 2020**

---

**ASSETS**

**Current Assets**

Cash	\$	481,928
Deposits		7,225
Investments		1,026,964
Total Current Assets		<u>1,516,117</u>

**Property and Equipment - net** 407,051

**Total Assets** \$ 1,923,168

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts Payable	\$	14,506
Accrued Expenses		3,385
Deferred Revenue		182,171
Total Liabilities		<u>200,062</u>

**Net Assets**

Net Assets Beginning of Year - Unrestricted (restated)		1,316,653
Decrease in net assets without donor restrictions		<u>(3,663)</u>
Subtotal net assets from operating activities		1,312,990
Increase in net assets from unrealized gain in investments		410,116
Total Net Assets		<u>1,723,106</u>

**Total Liabilities and Net Assets** \$ 1,923,168

*See accompanying notes to these financial statements.*

**CAIR FLORIDA, INC**  
**Statement of Activities**  
**For the Twelve Months Ended December 31, 2020**

---

**Unrestricted Revenue:**

Contributions and donations	\$ 1,283,877
State and local grants	110,100
Property rental	41,710
Interest and dividend income	7,909
Realized gain on sale of investments	43,813
Miscellaneous income	2,646
<b>Total Unrestricted Revenue</b>	<u>1,490,055</u>

**Program and operating expenses:**

Salaries	\$ 975,132
Payroll taxes and benefits	65,517
Telephone and communications	44,019
Dues and subscriptions	33,855
Property association fees	21,450
Bank and credit card fees	13,337
Depreciation	22,421
Other operating expenses	29,326
Advertising and promotion	62,992
Banquet expenses	16,180
Community outreach	32,987
Insurance	76,245
Legal and professional fees	33,236
Office expenses	12,281
Rent and lease expense	41,260
Travel	12,420
Miscellaneous expense	1,060
<b>Total program and operating expense</b>	<u>1,493,718</u>
 <b>Decrease in net assets without donor restrictions</b>	 (3,663)
 <b>Change in total net assets</b>	 <u>(3,663)</u>
 <b>Beginning net assets - restated</b>	 <u>\$ 1,316,653</u>
<b>Ending net assets without donor restrictions</b>	<u><u>\$ 1,312,990</u></u>

*See accompanying notes to these financial statements.*

**CAIR FLORIDA, INC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**

	<u>Total</u>
<b>OPERATING ACTIVITIES</b>	
Net Revenue (Loss)	\$ (3,663)
Adjustments to reconcile Net Revenue (Loss) to Net Cash provided by operations:	
Depreciation	22,421
Accrued Expenses	3,385
Deferred Revenue	182,171
Accounts Payable	<u>5,730</u>
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b><u>213,707</u></b>
<b>Net cash provided by operating activities</b>	<b><u>210,044</u></b>
<b>INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	45,337
Purchase of investments	(5,255)
Decrease in investments held	<u>(40,251)</u>
<b>Net cash provided by investing activities</b>	<b>(169)</b>
<b>FINANCING ACTIVITIES</b>	
Principal payments on debt	<u>(55,000)</u>
<b>Net cash used by financing activities</b>	<b><u>(55,000)</u></b>
<b>Net cash increase for period</b>	<b>154,875</b>
<b>Cash at beginning of period</b>	<u>327,053</u>
<b>Cash at end of period</b>	<b><u>\$ 481,928</u></b>
<b>NON-CASH TRANSACTIONS</b>	
Unrealized gain in securities held	\$ 410,116

**Note 1. Nature of Activities and Significant Accounting Policies**

**Nature of activities:** CAIR FLORIDA, INC is a nonprofit corporation organized under the laws of the state of Florida for the purpose of educating the community about their rights and responsibilities in being citizens and/or residents of America, particularly in the state of Florida. The CAIR-Florida Mission is to enhance understanding of Islam, protect civil rights, promote justice, and empower American Muslims. The vision is to be a leading advocate for justice and mutual understanding. CAIR FLORIDA, INC (CAIR FL) is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. CAIR FL has offices in Tampa, FL, and the Southwest Florida area.

**Significant accounting policies:**

**Accounting estimates:** The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), requires management to make estimates and assumptions that affect the reported amount 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.

**Basis of accounting:** Revenue and expenses of the Organization are recognized on the accrual basis. During the year ended Dec 31, 2020, the Organization adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (ACS 606). The Organization's revenue recognition practices under ASC 606 do not differ significantly from prior practices. Revenue for exchange transactions is recognized at the transaction price when the performance obligation is satisfied. Operating grants are accounted for as nonexchange transactions and recognized as revenue in the period in which all contractual requirements of the grant agreement have been fulfilled. Amounts for grants received where all requirements have not been fulfilled are shown as deferred revenue.

**Basis of presentation:** The Organization's net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are to be classified and reported as follows:

**Without donor restrictions:** Net assets that are not subject to donor-imposed stipulations.

**Note 1 (Continued)                      Nature of Activities and Significant Accounting Policies**

*With donor restrictions:* Net assets subject to donor-imposed stipulations that require they be maintained permanently by the Organization or net assets that may, or will be, utilized due to the required actions of the Organization or the passage of time. The Organization does not have any net assets subject to donor- imposed stipulations to be maintained permanently.

*Measure of operations:* The Organization's change in net assets without donor restrictions includes all operating revenues and expenses that are integral part of its programs and supporting activities and net assets released from restrictions to support operating expenditures.

*Concentrations of credit risk:* During various points throughout the year, the Organization has deposits in financial institutions that exceed federal depository insurance limits. Management is currently reviewing methods to minimize the credit risk related to those deposits. The amount of uninsured deposits on December 31, 2020, was \$189,053.

*Restricted Cash:* Restricted cash consists primarily of funds received for legal expenses on behalf of the community members and designated for that purpose. The balance of restricted cash as of December 31, 2020, was \$10,485.

*Grant Receivables:* Grant receivables are recorded for services provided that have not been paid. No reserve for uncollectible receivables is recorded in the financial statements.

*Property and equipment:* Property and equipment are carried at cost. Prior to 2020, assets with a life greater than one (1) year were capitalized, regardless of the cost. Effective fiscal years beginning after December 31, 2019, only assets with a life greater than one (1) year AND costing \$2,500 or more are capitalized. Depreciation is computed based on category over the respective lives of 1 - 15 years. Depreciation for real property and leasehold improvements is computed by the straight-line method over 39 years and 15 years, respectively.

*Income Taxes:* CAIR FLORIDA INC is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. CAIR FL is subject to federal and state income taxes on any net income from unrelated business activities. CAIR files a Form 990 (Return of Organization Except from Income Tax) annually. In the event unrelated business income (UBI) is earned, a form 990-T would be filed as appropriate. Management has evaluated CAIR FLORIDA INC's material tax positions,

**Note 1 (Continued)            Nature of Activities and Significant Accounting Policies**

which include such matters as the tax-exempt status and positions relative to potential sources of UBI. As of December 31, 2020, there were no uncertain tax benefits identified and recorded as a liability. Forms 990 filed by CAIR FL are no longer subject to examination by the Internal Revenue Service for the years ended December 31, 2015, and prior.

**Contributions:** Contributions, including unconditional promises to give, to the Organization are recorded as revenue when received. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and are reported in the state of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

**Recent accounting standards:** In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The standard is effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. A modified retrospective transition approach is required. The Organization is in the process of evaluating the impact of this new guidance.

**Subsequent Events:** The Organization has considered subsequent events through May 27, 2021, the date the financial statements were available to be issued.

**Note 2. Restated Net Assets**

Certain real property was purchased in fiscal years prior to December 31, 2020. The cost of these purchases was recorded in various years as payments were made. Generally Accepted Accounting Principles require the total cost of the assets to be recorded at the time of purchase. Depreciation begins when assets are placed in service. As a result, the prior period adjustment was made to unrestricted net assets to record the actual cost of the property, the related depreciation, and the related notes payable. The effect of the prior period adjustment was to decrease unrestricted net assets from \$1,329,759 to \$1,316,653. The adjustments were as follows:

<u>Description</u>	<u>Book Amount</u>	<u>Audit Amount</u>	<u>Adjustment</u>
Buildings	414,293	467,460	53,167
Building Depreciation	51,526	64,633	13,107
2019 Accum Dep	1,833	-	(1,833)
Loans Payable	-	55,000	55,000

**Note 3. Subsequent Events**

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of organizations and individuals throughout the United States. Further, financial markets have recently experienced a significant decline attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional, and national economies. The extent to which the coronavirus impacts the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the Organization, but such an impact could have a material adverse effect on the financial condition of the Organization. However, management is prepared to mitigate any adverse effect on the condition of the Organization.