



**National CASA Association  
dba National Court Appointed Special  
Advocate (CASA)/Guardian Ad Litem  
(GAL) Association**

**Financial Statements**  
Years Ended December 31, 2019 and 2018

**National CASA Association  
dba National Court Appointed Special Advocate  
(CASA)/Guardian Ad Litem (GAL) Association**

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Financial Statements  
Years Ended December 31, 2019 and 2018

**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad  
Litem (GAL) Association**

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## **Independent Auditor's Report**

To the Board of Trustees  
National CASA Association  
dba National Court Appointed Special Advocate (CASA)/  
Guardian Ad Litem (GAL) Association  
Seattle, Washington

We have audited the accompanying financial statements of National CASA Association dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, 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 financial statements.

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



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### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National CASA Association dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Prior Period Financial Statements***

The financial statements of National CASA Association dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association as of and for the year ended December 31, 2018 were audited by Peterson Sullivan LLP ("PS"), whose partners and professional staff joined BDO USA, LLP as of November 1, 2019, and has subsequently ceased operations. PS expressed an unmodified opinion on those statements in their report dated March 29, 2019.

*BDO USA, LLP*  
March 27, 2020

## Financial Statements

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**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad  
Litem (GAL) Association**

**Statements of Financial Position**

<i>December 31,</i>	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 3,519,211	\$ 2,907,680
Investments	526,654	440,668
Receivable from Department of Justice	256,444	200,979
Contributions receivable	110,300	160,070
Deposits and prepaid expenses	116,527	70,177
<b>Total Current Assets</b>	<b>4,529,136</b>	<b>3,779,574</b>
Contributions Receivable Restricted for Endowment	-	107,534
Endowment Cash and Investments	386,434	249,938
<b>Total Assets</b>	<b>\$ 4,915,570</b>	<b>\$ 4,137,046</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 158,375	\$ 173,178
Accrued wages and benefits	286,844	255,790
Deferred revenue	170,271	10,000
<b>Total Current Liabilities</b>	<b>615,490</b>	<b>438,968</b>
<b>Net Assets</b>		
Without donor restrictions	2,122,741	1,800,864
With donor restrictions	2,177,339	1,897,214
<b>Total Net Assets</b>	<b>4,300,080</b>	<b>3,698,078</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,915,570</b>	<b>\$ 4,137,046</b>

*See accompanying notes to financial statements.*

**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association**

**Statements of Activities**

<i>Years Ended December 31,</i>	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>						
Department of Justice cooperative agreements	\$ 9,998,395	\$ -	\$ 9,998,395	\$ 8,519,370	\$ -	\$ 8,519,370
Department of Justice grant	488,672	-	488,672	1,128,607	-	1,128,607
Conference fees	710,361	-	710,361	621,594	-	621,594
Membership dues	8,294	-	8,294	244,701	-	244,701
Corporate and foundation contributions	734,341	675,019	1,409,360	407,366	848,151	1,255,517
Individual contributions	806,819	57,650	864,469	623,345	91,125	714,470
Interest and investment income (loss)	82,786	41,622	124,408	(14,722)	(10,031)	(24,753)
In-kind contributions	58,571	-	58,571	114,993	-	114,993
Net assets released from restrictions	494,166	(494,166)	-	1,223,349	(1,223,349)	-
<b>Total Support and Revenue</b>	<b>13,382,405</b>	<b>280,125</b>	<b>13,662,530</b>	<b>12,868,603</b>	<b>(294,104)</b>	<b>12,574,499</b>
<b>Expenses</b>						
Training and technical assistance	3,890,453	-	3,890,453	4,374,293	-	4,374,293
Member and public outreach	2,629,031	-	2,629,031	1,431,188	-	1,431,188
Grant activities	4,156,993	-	4,156,993	4,100,319	-	4,100,319
<b>Total Program Services</b>	<b>10,676,477</b>	<b>-</b>	<b>10,676,477</b>	<b>9,905,800</b>	<b>-</b>	<b>9,905,800</b>
General and administrative	2,140,535	-	2,140,535	2,472,486	-	2,472,486
Fundraising	243,516	-	243,516	342,381	-	342,381
<b>Total Supporting Services</b>	<b>2,384,051</b>	<b>-</b>	<b>2,384,051</b>	<b>2,814,867</b>	<b>-</b>	<b>2,814,867</b>
<b>Total Expenses</b>	<b>13,060,528</b>	<b>-</b>	<b>13,060,528</b>	<b>12,720,667</b>	<b>-</b>	<b>12,720,667</b>
<b>Change in Net Assets</b>	<b>321,877</b>	<b>280,125</b>	<b>602,002</b>	<b>147,936</b>	<b>(294,104)</b>	<b>(146,168)</b>
<b>Net Assets, beginning of year</b>	<b>1,800,864</b>	<b>1,897,214</b>	<b>3,698,078</b>	<b>1,652,928</b>	<b>2,191,318</b>	<b>3,844,246</b>
<b>Net Assets, end of year</b>	<b>\$ 2,122,741</b>	<b>\$ 2,177,339</b>	<b>\$ 4,300,080</b>	<b>\$ 1,800,864</b>	<b>\$ 1,897,214</b>	<b>\$ 3,698,078</b>

*See accompanying notes to financial statements.*



**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association**

**Statement of Functional Expenses**

<i>Year Ended December 31, 2019</i>	Program Services			Supporting Services				Total
	Training and Technical Assistance	Member and Public Outreach	Grant Activities	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Personnel and payroll taxes	\$ 2,711,766	\$ 1,194,902	\$ 370,294	\$ 4,276,962	\$ 1,188,219	\$ 56,281	\$ 1,244,500	\$ 5,521,462
Grantee disbursements	-	-	3,769,321	3,769,321	-	-	-	3,769,321
Contract services	445,916	1,192,040	-	1,637,956	184,368	137,709	322,077	1,960,033
Travel and subsistence	386,873	14,388	-	401,261	165,379	1,521	166,900	568,161
Program promotion and other	64,617	146,771	-	211,388	271,682	6,700	278,382	489,770
Rent	179,050	60,567	17,378	256,995	64,636	26,974	91,610	348,605
Office supplies and postage	48,019	-	-	48,019	57,890	7,720	65,610	113,629
Professional fees	751	-	-	751	101,878	3,565	105,443	106,194
In-kind contributions	-	-	-	-	58,571	-	58,571	58,571
Telephone and toll-free number	48,708	-	-	48,708	35,859	-	35,859	84,567
Printing	4,753	20,363	-	25,116	121	3,046	3,167	28,283
Insurance	-	-	-	-	11,932	-	11,932	11,932
<b>Total Expenses</b>	<b>\$ 3,890,453</b>	<b>\$ 2,629,031</b>	<b>\$ 4,156,993</b>	<b>\$ 10,676,477</b>	<b>\$ 2,140,535</b>	<b>\$ 243,516</b>	<b>\$ 2,384,051</b>	<b>\$ 13,060,528</b>

*See accompanying notes to financial statements.*

**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association**

**Statement of Functional Expenses**

<i>Year Ended December 31, 2018</i>	Program Services			Supporting Services				Total
	Training and Technical Assistance	Member and Public Outreach	Grant Activities	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Personnel and payroll taxes	\$ 2,669,920	\$ 1,164,955	\$ 309,627	\$ 4,144,502	\$ 1,202,770	\$ 108,026	\$ 1,310,796	\$ 5,455,298
Grantee disbursements	-	-	3,730,748	3,730,748	-	-	-	3,730,748
Contract services	993,748	52,394	23,637	1,069,779	124,363	132,473	256,836	1,326,615
Travel and subsistence	411,032	227	8,690	419,949	159,811	40,390	200,201	620,150
Program promotion and other	81,269	151,377	642	233,288	569,938	11,841	581,779	815,067
Rent	71,691	56,898	26,765	155,354	144,266	30,020	174,286	329,640
Office supplies and postage	36,186	1,698	-	37,884	124,618	5,113	129,731	167,615
Professional fees	1,342	-	-	1,342	64,844	11,965	76,809	78,151
In-kind contributions	103,979	-	-	103,979	11,014	-	11,014	114,993
Telephone and toll-free number	2,920	577	210	3,707	58,258	-	58,258	61,965
Printing	2,206	3,062	-	5,268	47	2,553	2,600	7,868
Insurance	-	-	-	-	12,557	-	12,557	12,557
<b>Total Expenses</b>	<b>\$ 4,374,293</b>	<b>\$ 1,431,188</b>	<b>\$ 4,100,319</b>	<b>\$ 9,905,800</b>	<b>\$ 2,472,486</b>	<b>\$ 342,381</b>	<b>\$ 2,814,867</b>	<b>\$ 12,720,667</b>

*See accompanying notes to financial statements.*

**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad  
Litem (GAL) Association**

**Statements of Cash Flows**

<i>Years Ended December 31,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Cash received from grants and contributions	\$ 12,755,201	\$ 11,863,018
Cash received from membership dues and conferences	878,926	741,327
Investment income received	32,658	23,228
Cash paid to suppliers	(3,772,326)	(3,315,871)
Cash paid to employees and related payroll taxes	(5,490,409)	(5,339,277)
Grants paid	(3,769,321)	(3,730,748)
<b>Net Cash Flows from Operating Activities</b>	<b>634,729</b>	<b>241,677</b>
<b>Cash Flows for Investing Activities</b>		
Proceeds from sales of investments	19,805	78,788
Purchases of investments (and dividends reinvested)	(36,513)	(227,011)
Purchases of endowment investments	(114,024)	(112,466)
<b>Net Cash Flows for Investing Activities</b>	<b>(130,732)</b>	<b>(260,689)</b>
<b>Cash Flows from Financing Activity</b>		
Cash receipts on endowment receivables	107,534	112,466
<b>Net Change in Cash</b>	<b>611,531</b>	<b>93,454</b>
Cash, beginning of year	2,907,680	2,814,226
Cash, end of year	\$ 3,519,211	\$ 2,907,680

*See accompanying notes to financial statements.*

**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad  
Litem (GAL) Association**

**Notes to Financial Statements**

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**1. Organization and Significant Accounting Policies**

***Organization***

National CASA Association dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association (“National CASA/GAL”) is a nonprofit membership organization whose member programs are charged with advocating for the best interest of abused or neglected children in juvenile dependency court. National CASA/GAL supports its member organizations in the development, growth, and continuation of programs that recruit and train volunteers to serve as Court Appointed Special Advocates (“CASA”). CASA volunteers (sometimes called Guardians Ad Litem or GAL volunteers) are appointed by judges to be the independent eyes and ears of the court, watching over and advocating for a child until the child is placed in a safe, permanent home.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

***Income Taxes***

National CASA/GAL is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Under ASC 740-10, *Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. National CASA/GAL does not believe there are any material uncertain tax positions and accordingly it will not recognize any liability for any unrecognized tax benefits. National CASA/GAL has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, National CASA/GAL has filed IRS Form 990 information returns, as required, and all other applicable returns in those jurisdictions where it is required. For the year ended December 31, 2019, there were no interest or penalties recorded or included in the statements of activities related to uncertain tax positions.

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel and payroll tax expenses are allocated among functional expenses on the basis of time and effort. Rent expense is allocated on a square footage basis. Other expenses, like contract service, professional fees, and printing, that are shared among functional expense categories are allocated based on management estimates.

***Financial Statement Presentation***

National CASA/GAL reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Contributions that are received are recorded in one of these two categories depending on the existence and/or nature of any donor restrictions.

**National CASA Association  
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**Notes to Financial Statements**

***Net Assets with Donor Restrictions***

Net assets with donor restrictions consist of unexpended contributions restricted for particular programs or time periods. Also, included are other net assets that have perpetual donor restrictions, where the principal of contributions is restricted in perpetuity and the income from which is utilized for the purposes specified by the donors. Net assets with time and purpose restrictions are transferred to net assets without donor restrictions as the donor's intent are met. Net assets with donor restrictions are as follows:

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Net Assets with Purpose or Time Restrictions</b>		
Training and Technical Assistance Program:		
Performance measurement	\$ 461,892	\$ 665,147
Fostering Futures	894,031	427,500
Volunteer retention	260,282	219,750
Barbara Cooper Fund	112,824	112,824
Nunn Scholarship	36,876	37,725
Diversity, Equity, and Inclusion Initiative	25,000	-
Every Kid Needs a Family Initiative	-	25,000
Pass-through grants to CASA programs	-	22,453
Local program support and sponsored events	-	19,343
Time-restricted	-	10,000
	<b>1,790,905</b>	<b>1,539,742</b>
<b>Net Assets with Endowment Restrictions</b>		
Endowment Scholarship Fund	361,490	355,000
Unappropriated endowment earnings	24,944	2,472
	<b>386,434</b>	<b>357,472</b>
<b>Total</b>	<b>\$ 2,177,339</b>	<b>\$ 1,897,214</b>

***Cash***

Cash includes cash in banks and money market funds (except for cash accounts classified as investments). National CASA/GAL has amounts deposited with a financial institution in excess of federally insured limits. These amounts are used to fund regular operations.

**National CASA Association  
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**Notes to Financial Statements**

**Investments**

Investments are measured at fair value, and the change in value is included in the change in net assets. Fair value is defined as an exit price, representing the amount that would be received to sell an asset in an orderly transaction between market participants. The fair value measurement of the investments was determined using Level 1 observable market inputs within the fair value hierarchy, consisting of quoted prices in active markets for identical assets. Investments consist of the following:

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Cash</b>	\$ -	\$ 113,603
<b>Common Stock</b>	<b>25,063</b>	-
<b>Mutual funds</b>		
Foreign large-cap blend	155,576	106,574
Ultrashort bond	100,152	97,652
Large-cap growth	85,211	56,576
Large-cap blend	55,502	46,792
Intermediate bond	53,974	22,324
Large-cap value	32,189	11,094
Mid-cap growth	20,328	7,543
High-yield bond	11,808	4,297
World bond	7,774	2,809
<b>Exchange-traded funds</b>		
Intermediate bond	129,588	92,918
Mid-cap value	46,232	25,756
Inflation-protected bond	25,645	24,092
Diversified emerging markets	27,813	23,829
Small-cap value	35,781	22,019
Foreign large-cap blend	43,620	13,535
Small-cap blend	28,547	9,986
Large-cap value	28,285	9,207
	<b>\$ 913,088</b>	<b>\$ 690,606</b>

Investments are included in the statements of financial position as follows:

<i>Years Ended December 31,</i>	<b>2019</b>	<b>2018</b>
Investments	\$ 526,654	\$ 440,668
Endowment cash and investments	386,434	249,938
	<b>\$ 913,088</b>	<b>\$ 690,606</b>

Interest and investment income is composed of the following:

<i>Years Ended December 31,</i>	<b>2019</b>	<b>2018</b>
Interest and dividends	\$ 32,658	\$ 23,228
Realized/unrealized gain (loss) on investments	91,750	(47,981)
	<b>\$ 124,408</b>	<b>\$ (24,753)</b>

**National CASA Association  
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**Notes to Financial Statements**

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***Receivables/Revenue***

The receivable from the United States Department of Justice consists of funds that have been earned but not yet received.

Grant revenues are recognized when expenditures related to the grants are made. Contributions are recognized when the pledge is made. Amounts due from one organization represented 91% and 50% of the contributions receivable balance at December 31, 2019 and 2018, respectively. Of total revenues, 77% were from the United States Department of Justice in both 2019 and 2018.

At December 31, 2019, there are approximately \$16,440,900 in conditional grants that National CASA/GAL has not received. These are expected to be earned and collected in 2020 and 2021.

Conference fees are recognized when the related conference takes place. Conference fees received prior to the conference taking place are considered deferred conference fees. Conference fees are considered a single performance obligation and are earned at a point in time.

Membership dues are invoiced during the fall of the year prior to the membership period (typically January 1 - December 31). As the dues are collected in advance of the performance obligation, these dues are considered deferred revenue. These dues allow members to receive exclusive access to recruitment materials, online training and technical assistance, and trademarked materials, and allow for eligibility in receiving grants from National CAS/GAL. National CASA/GAL has determined that these benefits are provided ratably (over time) to members throughout their membership (as a bundled contract), and that the cost of the membership represents a fee for service and does not include any contributions. National CASA/GAL records deferred membership fees for any advanced collections, and records membership revenues on a ratable basis over the course of the membership period, unless a member joins after the start of the membership period, in which their membership is ratably recognized over the remaining term of the membership period (all memberships expire unless renewed on December 31).

***In-Kind Contributions***

Donations of services, supplies, and facilities are recorded as revenue at the estimated fair value at the date of donation. During 2019 and 2018, in-kind revenue consisted primarily of pro bono legal work, of \$58,571 and \$103,993, respectively.

***Recent Accounting Pronouncement Adopted***

During the year ended December 31, 2019, National CASA/GAL adopted the provisions of Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update clarifies the principles for recognizing revenue and develops a common revenue standard that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, and provides more useful information to the users of financial statements through improved disclosure requirements. Only two of National CASA/GAL’s revenue streams are subject to the ASU: conference fees and membership dues. The ASU has been applied retrospectively to all periods presented, with no impact to the change in net assets or total net assets.

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**Notes to Financial Statements**

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***Subsequent Events***

National CASA/GAL has evaluated subsequent events through the date these financial statements were available to be issued, which was March 27, 2020.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on National CASA/GAL’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, National CASA/GAL is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

**2. Liquidity and Availability of Financial Assets**

National CASA/GAL strives to maintain liquid financial assets sufficient to cover 60 days of general expenditures, excluding federal sub-awards to member programs. The federal sub-awards and a majority of the general expenditures are reimbursable expenses to National CASA/GAL from the United States Department of Justice cooperative agreements and grants. National CASA/GAL is able to draw down funds from these awards as frequently as needed, and reimbursement from the federal government is received within two business days following submission.

In addition, National CASA/GAL has net assets with donor restrictions that are designated for activities planned and budgeted for during the next 12 months.

The following tables show the total financial assets held by National CASA/GAL and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures as of December 31, 2019.

Financial assets available to meet general expenditures over the next 12 months are as follows:

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
Cash	\$ 3,519,211	\$ 2,907,680
Receivable from Department of Justice	256,444	200,979
Contributions receivable	110,300	160,070
Investments convertible to cash in the next 12 months	526,654	440,668
<b>Total Financial Assets at Year-End</b>	<b>\$ 4,412,609</b>	<b>\$ 3,709,397</b>



**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad  
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**Notes to Financial Statements**

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**3. Contributions Receivable**

Pledges receivable consist of unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value, which is measured at present value of the future cash flows. The discounts (if any) on those amounts are computed using a donor-specific discount rate (based on the creditworthiness of the donors and history of collections) and an estimated allowance for doubtful accounts. Amortization of the discount is included in gifts and contributions revenue in the statements of activities. Management has determined that no allowance for doubtful accounts or discount was necessary at December 31, 2019 or 2018.

**4. Lease Commitments**

National CASA/GAL leases office space under three operating leases, which expire through February 28, 2023. Rent expense for 2019 and 2018 was \$348,604 and \$329,641, respectively. Future minimum rental payments are as follows:

*Years Ending December 31,*

2020	\$	444,995
2021		191,062
2022		135,493
2023		23,260
	\$	794,810

**5. Grant Commitments**

National CASA/GAL has committed to distribute approximately \$7,538,000 to local and state CASA/GAL organizations between October 1, 2018 and September 30, 2020 (the pass-through grant award periods). National CASA/GAL distributed a total of \$3,195,188 during the year ended December 31, 2019, and \$433,000 during the year ended December 31, 2018. The remaining \$3,909,812 is expected to be distributed during the year ending December 31, 2020. Funding for this program is received from the United States Department of Justice (Cooperative Agreement) for pass-through grants. National CASA/GAL has committed to distribute approximately \$2,700,000 to local and state CASA/GAL organizations between July 1, 2019 and June 30, 2021 (the pass-through grant award periods). National CASA/GAL distributed a total of \$421,950 during the year ended December 31, 2019. Of the remaining \$2,278,050, \$1,518,700 is expected to be distributed during the year ending December 31, 2020, and \$759,350 during the year ending December 31, 2021. Funding for this program is received from the United States Department of Justice (Grant) for pass-through grants. The commitments listed above are contingent on National CASA/GAL receiving appropriate funding.

**National CASA Association  
dba National Court Appointed Special Advocate (CASA)/Guardian Ad  
Litem (GAL) Association**

**Notes to Financial Statements**

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**6. Endowment**

National CASA/GAL's endowment consists of one donor-restricted fund established to fund scholarships for foster children. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

***Interpretation of Relevant Law***

The Board of Trustees of National CASA/GAL has interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, National CASA/GAL classifies as endowment net assets (a) the original value of gifts donated to the endowment, plus (b) the original value of subsequent gifts to the endowment and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, National CASA/GAL considers the following factors in making a determination to appropriate or accumulate donor restricted funds:

- The duration and preservation of the endowment fund
- The purposes of National CASA/GAL and the donor restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of National CASA/GAL

Endowment net assets are as follows:

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
Amounts required to be invested in perpetuity	\$ 361,490	\$ 247,466
Unappropriated endowment earnings	24,944	2,472
	<b>\$ 386,434</b>	<b>\$ 249,938</b>

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Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Unappropriated Earnings	Perpetual	
<b>Endowment Net Assets, December 31, 2017</b>	\$ -	\$ 12,503	\$ 135,000	\$ 147,503
Cash received on contributions and pledges	-	-	112,466	112,466
Investment loss	-	(10,031)	-	(10,031)
<b>Endowment Net Assets, December 31, 2018</b>	-	2,472	247,466	249,938
Cash received on contributions and pledges	-	-	114,024	114,024
Investment gain	-	41,472	-	41,472
Releases from unappropriated earnings	-	(19,000)	-	(19,000)
<b>Endowment Net Assets, December 31, 2019</b>	\$ -	\$ 24,944	\$ 361,490	\$ 386,434

***Return Objectives and Risk Parameters***

National CASA/GAL has adopted investment and spending policies for endowment assets that are long term in nature with an investment horizon of at least 7 to 10 years (once the endowment is fully funded). The long-term objective is to earn a total rate of return that will exceed the demands placed on the portfolio to support National CASA/GAL's goals. Endowment assets include those assets of donor-restricted funds that National CASA/GAL must hold in perpetuity. Over a three- to five-year period, endowment investments are expected to achieve a total rate of return that compares favorably to specified benchmarks. National CASA/GAL expects its endowment funds to provide a rate of return of at least the U.S. Consumer Price Index plus 1% each year.

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate of return objectives, National CASA/GAL will rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). National CASA/GAL will target an asset allocation that places a greater emphasis on equity investments, both domestic and international, as well as fixed income and cash equivalents.

***Spending Policy and How the Investment Objectives Relate to the Spending Policy***

National CASA/GAL has a policy of appropriating for distribution each year 5% of the previous year's ending balance in the portfolio (once the endowment is fully funded). In establishing this policy, National CASA/GAL considered the long-term expected return on its endowment.

***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires National CASA/GAL to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2019 or 2018.