



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

Financial Statements
Years Ended December 31, 2021 and 2020

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

Financial Statements
Years Ended December 31, 2021 and 2020

**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

Opinion

We have audited the financial statements of National CASA Association dba National Court Appointed Special Advocate (CASA)/Guardian Ad Litem (GAL) Association (National CASA/GAL), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National CASA/GAL as of December 31, 2021 and 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National CASA/GAL and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National CASA/GAL's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National CASA/GAL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National CASA/GAL's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

July 15, 2022

Financial Statements

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

<i>December 31,</i>	2021	2020
Assets		
Current Assets		
Cash	\$ 5,619,559	\$ 4,537,970
Investments	574,963	563,163
Receivable from Department of Justice	229,344	241,238
Contributions receivable	157,014	117,661
Deposits and prepaid expenses	109,401	108,204
Total Current Assets	6,690,281	5,568,236
Endowment cash and investments	474,641	427,371
Total Assets	\$ 7,164,922	\$ 5,995,607
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 223,043	\$ 181,075
Accrued wages and benefits	527,463	364,169
Deferred revenue	337,933	59,850
Paycheck Protection Program Loan	869,705	915,327
Total Current Liabilities	1,958,144	1,520,421
Net Assets		
Without donor restrictions	2,502,180	2,063,388
With donor restrictions	2,704,598	2,411,798
Total Net Assets	5,206,778	4,475,186
Total Liabilities and Net Assets	\$ 7,164,922	\$ 5,995,607

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>Year Ended December 31,</i>	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Department of Justice cooperative agreements	\$ 10,027,711	\$ -	\$ 10,027,711	\$ 8,568,573	\$ -	\$ 8,568,573
Department of Justice grant	3,866,931	-	3,866,931	2,083,911	-	2,083,911
Conference fees	135,955	-	135,955	357,825	-	357,825
Membership dues	257,947	-	257,947	236,469	-	236,469
Corporate and foundation contributions	441,692	255,162	696,854	635,538	305,338	940,876
Individual contributions	1,095,119	6,465	1,101,584	816,788	15,750	832,538
Interest and investment income, net	48,536	53,120	101,656	76,395	49,927	126,322
Net assets released from restrictions	21,947	(21,947)	-	136,556	(136,556)	-
Total Support and Revenue	15,895,838	292,800	16,188,638	12,912,055	234,459	13,146,514
Expenses						
Training and technical assistance	5,254,461	-	5,254,461	3,610,434	-	3,610,434
Member and public outreach	1,613,602	-	1,613,602	1,469,450	-	1,469,450
Grant activities	6,790,329	-	6,790,329	5,546,579	-	5,546,579
Total program services	13,658,392	-	13,658,392	10,626,463	-	10,626,463
General and administrative	2,409,287	-	2,409,287	2,116,651	-	2,116,651
Fundraising	304,694	-	304,694	228,294	-	228,294
Total supporting services	2,713,981	-	2,713,981	2,344,945	-	2,344,945
Total Expenses	16,372,373	-	16,372,373	12,971,408	-	12,971,408
Change in Net Assets before Non-Operating Activities	(476,535)	292,800	(183,735)	(59,353)	234,459	175,106
Paycheck Protection Program Loan Forgiveness	915,327	-	915,327	-	-	-
Change in Net Assets	438,792	292,800	731,592	(59,353)	234,459	175,106
Net Assets, beginning of year	2,063,388	2,411,798	4,475,186	2,122,741	2,177,339	4,300,080
Net Assets, end of year	\$ 2,502,180	\$ 2,704,598	\$ 5,206,778	\$ 2,063,388	\$ 2,411,798	\$ 4,475,186

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

Year Ended December 31, 2021	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	\$ 3,022,777	\$ 1,328,756	\$ 411,021	\$ 4,762,554	\$ 1,305,983	\$ 67,570	\$ 1,373,553	\$ 6,136,107
Grantee disbursements	-	-	6,306,145	6,306,145	-	-	-	6,306,145
Contract services	1,894,887	107,095	49,261	2,051,243	423,918	189,545	613,463	2,664,706
Rent	217,570	128,741	21,580	367,891	89,120	9,149	98,269	466,160
Program promotion and other	48,329	22,200	500	71,029	323,275	6,553	329,828	400,857
Office supplies and postage	19,073	2,312	-	21,385	94,090	27,102	121,192	142,577
Telephone and toll-free number	50,493	5,010	1,822	57,325	36,787	-	36,787	94,112
Professional fees	-	-	-	-	92,860	-	92,860	92,860
Travel and subsistence	1,332	1,839	-	3,171	24,571	-	24,571	27,742
Printing	-	17,649	-	17,649	100	4,775	4,875	22,524
Insurance	-	-	-	-	18,583	-	18,583	18,583
Total Expenses	\$ 5,254,461	\$ 1,613,602	\$ 6,790,329	\$ 13,658,392	\$ 2,409,287	\$ 304,694	\$ 2,713,981	\$ 16,372,373

See accompanying notes to financial statements.

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Statement of Functional Expenses

<i>Year Ended December 31, 2020</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	\$ 2,742,006	\$ 1,198,992	\$ 369,196	\$ 4,310,194	\$ 1,175,568	\$ 57,802	\$ 1,233,370	\$ 5,543,564
Grantee disbursements	-	-	5,150,999	5,150,999	-	-	-	5,150,999
Contract services	311,691	122,600	-	434,291	266,638	142,546	409,184	843,475
Rent	281,449	65,666	26,384	373,499	58,116	18,332	76,448	449,947
Program promotion and other	94,811	23,571	-	118,382	408,050	4,615	412,665	531,047
Office supplies and postage	109,155	58,621	-	167,776	78,184	4,999	83,183	250,959
Telephone and toll-free number	43,759	-	-	43,759	37,874	-	37,874	81,633
Professional fees	-	-	-	-	48,243	-	48,243	48,243
Travel and subsistence	27,563	-	-	27,563	29,398	-	29,398	56,961
Printing	-	-	-	-	123	-	123	123
Insurance	-	-	-	-	14,457	-	14,457	14,457
Total Expenses	\$ 3,610,434	\$ 1,469,450	\$ 5,546,579	\$ 10,626,463	\$ 2,116,651	\$ 228,294	\$ 2,344,945	\$ 12,971,408

See accompanying notes to financial statements.

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Statements of Cash Flows

<i>Year Ended December 31,</i>	2021	2020
Cash Flows from Operating Activities		
Cash received from cooperative agreements, grants, and contributions	\$ 15,655,621	\$ 12,433,743
Cash received from membership dues and conferences	671,985	483,873
Investment income received	56,117	67,046
Cash paid to suppliers	(3,879,349)	(2,245,821)
Cash paid to employees and related payroll taxes	(5,972,814)	(5,466,240)
Grants paid to subrecipients	(6,306,145)	(5,150,999)
Net Cash Flows from Operating Activities	225,415	121,602
Cash Flows for Investing Activities		
Proceeds from sales of investments	-	34,156
Purchases of investments (and dividends reinvested)	(11,254)	(67,294)
Purchases of endowment investments (and dividends reinvested)	(8,127)	(7,573)
Sales of endowment investments	5,850	22,541
Net Cash Flows for Investing Activities	(13,531)	(18,170)
Cash Flows from Financing Activity		
Proceeds from Paycheck Protection Program Loan	869,705	915,327
Net Change in Cash	1,081,589	1,018,759
Cash, beginning of year	4,537,970	3,519,211
Cash, end of year	\$ 5,619,559	\$ 4,537,970

See accompanying notes to financial statements.

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Notes to Financial Statements

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.

National CASA/GAL recognizes 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 years ended December 31, 2021 and 2020, 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 and functional expenses. 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. Expenses like grantee disbursements, contract services, and office supplies are all directly distributed amongst the functional expense categories that they support. All indirect expenditures are charged to the general and administrative function.

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.

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Notes to Financial Statements

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.

Investments

Investments are measured at fair value (see below). Dividends, interest, and the net appreciation in fair value of investments consists of both realized gains or losses and unrealized appreciation and depreciation of those investments and is included in the change in net assets. Investment management fees are netted with the investment income.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

Level 1: This level consists of observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level consists of observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly.

Level 3: This level consists of unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair value measurement of the investments was determined using Level 1 observable market inputs within the fair value hierarchy.

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 (and, accordingly, as the conditions have been met). Contributions are recognized when the pledge is made. Of total revenues, 81% was from the United States Department of Justice during the years ended December 31, 2021 and 2020, respectively.

At December 31, 2021, there are approximately \$16,377,094 in conditional grants from the United States Department of Justice that National CASA/GAL has not received. These are expected to be earned and collected during the years ending December 31, 2022 and 2023.

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.

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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 CASA/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.

Subsequent Events

National CASA/GAL has evaluated subsequent events through the date these financial statements were available to be issued, which was July 15, 2022.

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.

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Notes to Financial Statements

The following table shows 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, 2021 and 2020.

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

<i>December 31,</i>	2021	2020
Cash	\$ 5,619,559	\$ 4,537,970
Receivable from Department of Justice	229,344	241,238
Contributions receivable	157,014	117,661
Investments convertible to cash in the next 12 months	574,963	563,163
	6,580,880	5,460,032
Net assets with donor restrictions	(2,229,957)	(1,984,427)
Total Financial Assets at Year-End	\$ 4,350,923	\$ 3,475,605

3. Investments

Investments consist of the following:

<i>December 31,</i>	2021	2020
Cash	\$ 225	\$ 5,570
Mutual Funds		
Foreign large-cap blend	180,835	188,585
Large-cap growth	129,403	117,217
Ultrashort bond	102,836	102,922
Large-cap blend	67,954	61,867
Intermediate bond	78,674	59,327
Large-cap value	42,662	36,465
Mid-cap growth	23,861	23,399
High-yield bond	17,992	20,073
Foreign small growth	10,409	9,110
Exchange-Traded Funds		
Intermediate bond	136,534	133,176
Mid-cap value	46,647	38,604
Large-cap value	45,873	30,454
Small-cap value	42,175	38,173
Foreign large-cap blend	32,170	35,029
Small-cap blend	31,996	31,140
Diversified emerging markets	30,934	31,340
Inflation-protected bond	28,424	28,083
	\$ 1,049,604	\$ 990,534

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Notes to Financial Statements

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

<i>Year Ended December 31,</i>	2021	2020
Investments	\$ 574,963	\$ 563,163
Endowment cash and investments	474,641	427,371
	\$ 1,049,604	\$ 990,534

Interest and investment income is composed of the following:

<i>Year Ended December 31,</i>	2021	2020
Interest and dividends	\$ 56,117	\$ 67,046
Realized/unrealized gain on investments	45,539	59,276
	\$ 101,656	\$ 126,322

4. 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 intentions are met.

Net assets with donor restrictions are as follows:

<i>December 31,</i>	2021	2020
Net Assets with Purpose or Time Restrictions		
Training and Technical Assistance Program		
Fostering Futures	\$ 1,144,531	\$ 894,031
Performance measurement	438,955	448,955
COVID-19	241,100	241,100
Volunteer retention	211,288	212,338
Barbara Cooper Fund	127,823	127,824
Nunn Scholarship	41,260	35,179
Growth Initiative	25,000	25,000
	2,229,957	1,984,427
Net Assets with Endowment-Related Restrictions		
Endowment Scholarship Fund	355,000	355,000
Unappropriated endowment investment earnings	119,641	72,371
	474,641	427,371
Total	\$ 2,704,598	\$ 2,411,798

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Notes to Financial Statements

5. Lease Commitments

National CASA/GAL leases office space under three operating leases, which expire through April 30, 2026. Rent expense for 2021 and 2020 was \$446,160 and \$449,947, respectively. In February 2022, National CASA/GAL entered into a lease amendment that expires August 31, 2028. This lease is included in the future rental commitments below.

Future minimum rental payments are as follows:

<i>Year Ending December 31,</i>			
2022	\$	473,027	
2023		524,598	
2024		505,848	
2025		434,047	
2026		290,398	
Thereafter		368,539	
	\$	2,596,457	

6. Grant Commitments

National CASA/GAL has committed to distribute approximately \$9,555,701 to local and state CASA/GAL organizations between October 1, 2018 and September 30, 2022 (award period). National CASA/GAL has distributed a total of \$9,440,606 through the year ended December 31, 2021. The remaining \$115,095 is expected to be distributed during the year ending December 31, 2022. Funding for this program is received from the United States Department of Justice (Cooperative Agreement # 2018-CH-BX-K001) for pass-through grants.

National CASA/GAL has committed to distribute approximately \$4,160,687 to local and state CASA/GAL organizations between October 1, 2021 and July 31, 2023 (award period). National CASA/GAL has distributed a total of \$0 as of the year ended December 31, 2021. The remaining \$4,160,687 is expected to be awarded and distributed during 2022 and 2023. Funding for this program is received from the United States Department of Justice (Cooperative Agreement # 5PJDP-21-GK-02762-CASA) for pass-through grants.

National CASA/GAL has committed to distribute approximately \$3,240,000 to local and state CASA/GAL organizations between October 1, 2019 and September 30, 2022 (award period). National CASA/GAL distributed a total of \$2,413,309 as of December 31, 2021. The remaining \$826,691 is expected to be distributed during the year ending December 31, 2022. Funding for this program is received from the United States Department of Justice (Grant # 2020-JU-FX-0028) for pass-through grants.

National CASA/GAL has committed to distribute approximately \$2,250,000 to local and state CASA/GAL organizations between October 1, 2020 and September 30, 2023 (award period). National CASA/GAL distributed a total of \$957,800 as of December 31, 2021. The remaining \$1,292,200 is expected to be distributed during the year ending December 31, 2023. Funding for this program is

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received from the United States Department of Justice (Grant # 2020-MU-FX-0001) for pass-through grants.

The commitments listed above are contingent on National CASA/GAL receiving appropriate funding from the United States Department of Justice under the grants and cooperative agreements (discussed above).

7. 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 of America, 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>	2021	2020
Amounts required to be invested in perpetuity	\$ 355,000	\$ 355,000
Unappropriated endowment earnings	119,641	72,371
	\$ 474,641	\$ 427,371

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Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Unappropriated Earnings	Perpetual	
Endowment Net Assets, December 31, 2019	\$ -	\$ 24,944	\$ 361,490	\$ 386,434
Investment return	-	49,927	-	49,927
Appropriation of earnings	-	(2,500)	-	(2,500)
Other	-	-	(6,490)	(6,490)
Endowment Net Assets, December 31, 2020	-	72,371	355,000	427,371
Investment return	-	53,120	-	53,120
Appropriation of earnings	-	(5,850)	-	(5,850)
Endowment Net Assets, December 31, 2021	\$ -	\$ 119,641	\$ 355,000	\$ 474,641

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. 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.

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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, 2021 or 2020.

8. COVID-19 and Related Government Funding

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.

On March 27, 2020, former President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The CARES Act also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 outbreak. National CASA/GAL applied for and received a PPP loan on May 1, 2020, totaling \$915,327. The note payable incurred interest at 1.0% and was unsecured. The principal and interest of the note was forgivable if the proceeds were spent on qualifying costs during the 24-week period following the date the note was issued. Qualified costs are considered as 60% of the loan amount on payroll costs, and 40% on non-payroll costs including rent and utilities. Interest payments are deferred for the first 10 months of the note period, following the 24-week period. National CASA/GAL received forgiveness of both the outstanding principal and interest on February 26, 2021.

On December 27, 2020, the “Consolidated Appropriations Act, 2021” was signed into law, which included additional economic stimulus and COVID-19 related relief including additional PPP funds and expansion of the Employee Retention Credit. National CASA/GAL applied for and received a second PPP loan on March 16, 2021, totaling \$869,705. National CASA/GAL applied for forgiveness of this PPP loan and on January 20, 2022, received confirmation that the forgiveness was granted for both the outstanding principal and interest balance by the SBA. As the forgiveness approval did not occur until after December 31, 2021, the balance of this loan is included as a liability on the statement of financial position. National CASA/GAL will derecognize the liability on its statement of financial position and recognize gain on debt forgiveness during the year ending December 31, 2022.

Under the SBA PPP loan program, PPP loans are forgivable if the entity receiving the loan complies with the provisions of the SBA PPP and proceeds are spent on qualifying costs during the specified period following the date the loan is issued. The application for these funds required National CASA/GAL to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of National CASA/GAL. This certification further required National CASA/GAL to take into account its current business activity and ability to access

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other sources of liquidity sufficient to support ongoing operations in a manner that was not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on National CASA/GAL having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria.

The SBA has stated that all PPP loans in excess of \$2 million, and other PPP loans as appropriate, will be subject to review by the SBA for compliance with program requirements. While National CASA/GAL believes the PPP loans were properly obtained and forgiven, there can be no assurance regarding the outcome of an SBA review. National CASA/GAL has not accrued any liability associated with the risk of an adverse SBA review.

On March 11, 2021, President Biden signed into law the “American Rescue Plan Act of 2021” (the American Rescue Plan), which included additional economic stimulus and tax credits, including the expansion of the Employee Retention Credit.

National CASA/GAL continues to examine the impact that the CARES Act, the Consolidated Appropriations Act, 2021, and the American Rescue Plan will have on its business, and currently, National CASA/GAL is unable to determine the impact on its financial condition, results of operations, and liquidity.