

**NATIONAL CASA ASSOCIATION**

FINANCIAL REPORT

DECEMBER 31, 2009

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CERTIFIED PUBLIC ACCOUNTANTS  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
National CASA Association  
Seattle, Washington

We have audited the accompanying statements of financial position of National CASA Association as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National CASA Association as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

March 25, 2010

**NATIONAL CASA ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2009 and 2008

ASSETS	2009	2008
Current Assets		
Cash	\$ 3,544,617	\$ 1,244,590
Investments	203,293	156,221
Receivable from Department of Justice	160,373	281,571
Contributions receivable	11,502	695,628
Other receivables	14,477	18,496
Inventory	43,565	68,895
Prepaid expenses	64,525	67,194
Total current assets	4,042,352	2,532,595
Furniture and Equipment		
Office furniture	18,464	20,040
Office equipment	64,945	84,560
Computer equipment	206,786	267,104
	290,195	371,704
Less accumulated depreciation	(282,595)	(361,414)
	7,600	10,290
Total assets	\$ 4,049,952	\$ 2,542,885
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 164,678	\$ 157,640
Accrued vacation payable	104,100	121,828
Deferred conference revenue	15,220	20,660
Total current liabilities	283,998	300,128
Net Assets		
Unrestricted	1,368,369	1,383,162
Temporarily restricted	2,397,585	859,595
Total net assets	3,765,954	2,242,757
Total liabilities and net assets	\$ 4,049,952	\$ 2,542,885

See Notes to Financial Statements

# NATIONAL CASA ASSOCIATION

## STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Cooperative agreements -						
Department of Justice for:						
Training and Technical						
Assistance	\$ 4,120,099	\$ -	\$ 4,120,099	\$ 3,915,412	\$ -	\$ 3,915,412
Grants Program	9,730,586		9,730,586	6,861,247		6,861,247
Grant - Department of Justice						
for Native American Tribal						
Courts	75,026		75,026	239,630		239,630
Conference fees	320,440		320,440	351,646		351,646
Membership dues	88,525		88,525	101,850		101,850
Promotional sales, net of cost of						
sales of \$93,321 in 2009						
and \$109,796 in 2008	80,622		80,622	86,784		86,784
Interest and investment income						
(loss)	43,729		43,729	(42,005)		(42,005)
Foundation contributions	3,300	2,174,950	2,178,250	142,732	1,329,951	1,472,683
Other contributions and income	551,653	170,880	722,533	422,006	108,000	530,006
In-kind donations				538,262		538,262
Net assets released from						
restrictions	807,840	(807,840)		1,162,853	(1,162,853)	
Total support and						
revenue	15,821,820	1,537,990	17,359,810	13,780,417	275,098	14,055,515
Expenses						
Training and technical assistance	2,733,688		2,733,688	2,903,423		2,903,423
Member and public outreach	1,945,692		1,945,692	2,097,347		2,097,347
Grant activities	9,225,568		9,225,568	7,264,490		7,264,490
Total program services	13,904,948		13,904,948	12,265,260		12,265,260
General and administrative	1,697,195		1,697,195	1,487,597		1,487,597
Fundraising	234,470		234,470	246,050		246,050
Total supporting						
services	1,931,665		1,931,665	1,733,647		1,733,647
Total expenses	15,836,613		15,836,613	13,998,907		13,998,907
<b>Change in net assets</b>	<b>(14,793)</b>	<b>1,537,990</b>	<b>1,523,197</b>	<b>(218,490)</b>	<b>275,098</b>	<b>56,608</b>
Net assets, beginning of year	1,383,162	859,595	2,242,757	1,601,652	584,497	2,186,149
Net assets, end of year	<u>\$ 1,368,369</u>	<u>\$ 2,397,585</u>	<u>\$ 3,765,954</u>	<u>\$ 1,383,162</u>	<u>\$ 859,595</u>	<u>\$ 2,242,757</u>

See Notes to Financial Statements

**NATIONAL CASA ASSOCIATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2009

	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
Grantee disbursements	\$ -	\$ -	\$ 8,974,966	\$ 8,974,966	\$ -	\$ -	\$ -	\$ 8,974,966
Personnel and payroll taxes	1,746,697	831,731	171,062	2,749,490	710,856	41,430	752,286	3,501,776
Contract services	198,639	762,881	50,800	1,012,320	476,318	69,952	546,270	1,558,590
Travel and subsistence	584,075	89,215	7,957	681,247	161,857	12,193	174,050	855,297
Office supplies and postage	28,889	58,022	4,373	91,284	142,593	18,694	161,287	252,571
Printing	38,835	137,598	10	176,443	1,933	30,369	32,302	208,745
Rent	44,874	41,681	10,806	97,361	30,874	27,787	58,661	156,022
Program promotion and other	25,715	14,749		40,464	68,505	24,893	93,398	133,862
Professional fees					85,808	7,779	93,587	93,587
Telephone and toll-free number	53,977	4,921	3,844	62,742	12,753	615	13,368	76,110
Insurance	6,573	2,728	992	10,293	2,108		2,108	12,401
Depreciation	5,414	2,166	758	8,338	1,732	758	2,490	10,828
Repairs, maintenance and equipment rental					1,858		1,858	1,858
Total expenses	<u>\$ 2,733,688</u>	<u>\$ 1,945,692</u>	<u>\$ 9,225,568</u>	<u>\$ 13,904,948</u>	<u>\$ 1,697,195</u>	<u>\$ 234,470</u>	<u>\$ 1,931,665</u>	<u>\$ 15,836,613</u>

See Notes to Financial Statements

**NATIONAL CASA ASSOCIATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2008

	Program Services			Supporting Services				
	Training and Technical Assistance	Member and Public Outreach	Grant Activities	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Grantee disbursements	\$ -	\$ -	\$ 7,012,406	\$ 7,012,406	\$ -	\$ -	\$ -	\$ 7,012,406
Personnel and payroll taxes	1,640,258	777,628	160,310	2,578,196	641,184	42,900	684,084	3,262,280
Contract services	226,884	898,295	53,372	1,178,551	310,439	64,766	375,205	1,553,756
Travel and subsistence	653,233	109,287	9,084	771,604	129,941	33,290	163,231	934,835
Office supplies and postage	62,053	83,105	6,382	151,540	137,559	18,851	156,410	307,950
Printing	89,176	144,250		233,426	19,594	39,664	59,258	292,684
Rent	71,059	36,613	11,861	119,533	27,847	9,279	37,126	156,659
Program promotion and other	35,845	13,829		49,674	78,092	19,341	97,433	147,107
Professional fees					112,971	8,247	121,218	121,218
In-kind software	54,903	22,607	5,383	82,893	16,148	8,612	24,761	107,654
Telephone and toll-free number	56,020	6,040	3,663	65,723	4,193	32	4,225	69,948
Insurance	6,352	2,637	959	9,948	2,037		2,037	11,985
Depreciation	7,640	3,056	1,070	11,766	2,445	1,068	3,513	15,279
Repairs, maintenance and equipment rental					5,147		5,147	5,147
Total expenses	<u>\$ 2,903,423</u>	<u>\$ 2,097,347</u>	<u>\$ 7,264,490</u>	<u>\$ 12,265,260</u>	<u>\$ 1,487,597</u>	<u>\$ 246,050</u>	<u>\$ 1,733,647</u>	<u>\$ 13,998,907</u>

See Notes to Financial Statements

# NATIONAL CASA ASSOCIATION

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Cash received from grants and similar agreements	\$ 17,629,828	\$ 12,776,475
Cash received from membership dues and conferences	403,525	474,156
Cash received from promotional sales and other sources	177,962	206,461
Investment income received	7,712	36,482
Cash paid to suppliers	(3,407,327)	(3,796,044)
Cash paid to employees	(3,519,504)	(3,235,168)
Grants paid	(8,974,966)	(6,581,796)
	2,317,230	(119,434)
Net cash flows from operating activities	2,317,230	(119,434)
Cash Flows from Investing Activities		
Purchase of investments	(9,065)	(17,010)
Purchases of furniture and equipment	(8,138)	
	(17,203)	(17,010)
Net cash flows from investing activities	(17,203)	(17,010)
<b>Net change in cash</b>	<b>2,300,027</b>	<b>(136,444)</b>
Cash balance, beginning of year	1,244,590	1,381,034
Cash balance, end of year	\$ 3,544,617	\$ 1,244,590
Reconciliation of change in net assets to net cash flows from operating activities		
Change in net assets	\$ 1,523,197	\$ 56,608
Depreciation	10,828	15,279
Loss (gain) on investments	(36,017)	78,487
Donation of investments	(1,990)	(1,032)
Change in operating assets and liabilities		
Receivables	809,343	(231,590)
Inventory	25,330	6,523
Prepaid expenses	2,669	(2,225)
Accounts payable and accrued vacation payable	(10,690)	(62,144)
Deferred conference revenue	(5,440)	20,660
	809,343	(231,590)
Net cash flows from operating activities	\$ 2,317,230	\$ (119,434)

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies

#### **Organization**

National CASA Association ("the Association") is a non-profit membership organization whose member programs are charged with advocating for the best interest of abused and neglected children in juvenile dependency court. The Association supports its member organizations in the development, growth, and continuation of programs which 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 requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

#### **Income Taxes**

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### **Financial Statement Presentation**

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association has no permanently restricted net assets, so this class of net assets is not shown on the financial statements.

### **Temporarily Restricted Net Assets**

The Association records grants and contributions received as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets consist of unexpended contributions restricted for particular purposes. Temporarily restricted net assets are transferred to unrestricted net assets as expenditures are incurred for the restricted purpose. Temporarily restricted net assets listed by funding source consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Wal-Mart Foundation (Restricted for Fostering Futures initiative)	\$ 1,575,872	\$ -
Jewelers for Children (Restricted for pass-through grants to CASA programs)	557,307	611,777
CBS Fund (Restricted for Child Advocacy in the San Francisco and Surrounding Bay Area)	149,121	
Steve and Connie Ballmer contribution (Restricted for CASA Connects Project)	100,000	100,000
Charles Epstein contribution (Restricted for CASA Project in Israel)	8,000	8,000
American Legion Child Welfare (Restricted for producing CASA Forgotten Children Event tool kits)	6,935	46,915
Hearst Foundation contribution (Restricted for CASA Connects Project and Moving Forward for Children Project)		83,960
One Family Foundation (Restricted for CASA Connects Project)		7,000
Bettineski contribution (Restricted for volunteer awards)		1,943
Berlin Fund (Restricted for College Opportunities)	350	
	<u>\$ 2,397,585</u>	<u>\$ 859,595</u>

### **In-Kind Donations**

There were no significant in-kind contributions in 2009. During 2008, the Association received an in-kind donation of computer software with a fair value of \$538,262. Most of the computer software was distributed to local and state CASA organizations during 2008.

### **Cash**

Cash includes cash in banks and money market funds. The Association has amounts deposited with a financial institution in excess of federally insured limits. These amounts are used to fund regular operations.

## **Investments**

Investments represent debt and equity mutual fund holdings, 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 or paid to transfer a liability 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.

## **Receivables / Revenue**

The receivable from the United States Department of Justice consists of funds that have been earned, but not yet received. Contributions receivable represent pledges that have been made, but have not yet been collected. Amounts due from one foundation and one individual amounted to a total of 86% of the contributions receivable balance at December 31, 2008 (there were no such contributions at December 31, 2009). Other receivables represent miscellaneous receivable balances and are due from corporations and individuals.

Grant revenues are recognized when expenditures related to the grants are made. Contributions are recognized when the pledge is made. Of the total foundation contributions, 72% was from two foundations in 2009, and 39% was from one foundation in 2008. One business and one organization represented 42% of total other contributions and income in 2009. One organization and one individual represented 44% of total other contributions and income in 2008. Conference fees are recognized when the related conference takes place. Membership dues are recognized in the year to which they apply. Promotional sales revenue is recognized when the sale takes place.

## **Inventory**

Inventory consists of promotional items held for resale and is reported at the lower of cost (first-in, first-out) or market.

## **Furniture and Equipment**

Furniture and equipment is recorded at cost, if purchased, or at fair market value at the date of receipt, if donated. The Association's policy is to capitalize assets with a cost or donated value greater than \$5,000 and a useful life in excess of one year. Depreciation is computed by the straight-line method over the estimated useful lives for furniture and equipment.

## **Subsequent Events**

The Association has evaluated subsequent events through the date these financial statements were available to be issued, which was on March 25, 2010.

## Note 2. Lease Commitments

The Association leases office space under an operating lease which expires December 31, 2015. Rent expense for 2009 and 2008 was \$156,022 and \$156,659, respectively.

Future approximate minimum payments under the office lease for years ending December 31 are as follows:

2010	\$ 140,509
2011	143,659
2012	143,659
2013	143,659
2014	143,659
Thereafter	<u>59,858</u>
	<u>\$ 775,003</u>

## Note 3. Grant Commitments

The Association has committed to distribute approximately \$9,575,000 to local and state CASA organizations between July 1, 2009 and June 30, 2010. The Association distributed a total of \$3,752,000 through December 31, 2009. Funding for this program is received from the United States Department of Justice (Cooperative Agreement) for pass-through grants.

The Association has committed to distribute approximately \$150,000 to local tribal CASA programs that serve children in Native American Tribal Courts, between July 1, 2009 and June 30, 2010. The Association distributed a total of \$60,300 through December 31, 2009, under this grant program. Funding for this program is received from the United States Department of Justice (Grant) for pass-through grants.

The Association has committed to distribute approximately \$500,000 to local and state CASA organizations between January 1, 2010 and June 30, 2010. As of December 31, 2009, none had been distributed. Funding for this program is received from Jewelers for Children for pass-through grants.

The Association has committed to distribute approximately \$1,200,000 to local and state CASA organizations between April 1, 2010 and March 31, 2011. As of December 31, 2009, none had been distributed. Funding for this program is received from Wal-Mart Foundation for pass-through grants.