CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

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Independent Auditor's Report

Board of Directors
Center for Adoption Support and Education, Inc.
Burtonsville, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Center for Adoption Support and Education, Inc. (C.A.S.E.), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Center for Adoption Support and Education, Inc., as of December 31, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 C.A.S.E. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 C.A.S.E.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards and *Government Auditing Standards* 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 generally accepted auditing standards and *Government Auditing Standards*, 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 C.A.S.E.'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 C.A.S.E.'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.

Report on Summarized Comparative Information

We have previously audited C.A.S.E.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2026, on our consideration of C.A.S.E.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of C.A.S.E.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering C.A.S.E.'s internal control over financial reporting and compliance.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
June 18, 2026

Certified Public Accountants

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	2025 Total	2024 Total
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 98,033**	$ 293,989
Restricted Cash and Cash Equivalents	**-**	100,000
Investments, Short-Term	**147,777**	640,427
Grants and Contributions Receivable, Net	**1,660,007**	1,020,924
Other Receivables	**302,147**	776,322
Prepaid Expenses and Other Assets	**53,251**	61,011
Total Current Assets	**2,261,215**	2,892,673
Property and Equipment, at Cost		
Furniture and Equipment	**221,552**	245,406
Leasehold Improvements	**22,174**	22,174
Website	**184,044**	159,020
	427,770	426,600
Less Accumulated Depreciation	**(222,203)**	(209,883)
	205,567	216,717
Long-Term Investments	**2,954,632**	2,197,784
Deferred Compensation Asset	**145,836**	124,240
Operating Right-of-Use Asset	**447,013**	678,736
Finance Right-of-Use Asset, Net of Accumulated Amortization of $29,352 in 2025 and $27,807 in 2024	**-**	1,545
Other Assets - Deposits	**22,347**	21,027
Total Assets	**$ 6,036,610**	$ 6,132,722

See accompanying Notes to Financial Statements.

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	2025 Total	2024 Total
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Liabilities	**$ 853,329**	$ 904,213
Accrued Salaries and Related Benefits	**568,611**	495,753
Refundable Advance	**212,869**	162,307
Line of Credit	**125,000**	321,937
Operating Lease Liability, Current Portion	**251,731**	249,691
Finance Lease Liability, Current Portion	**-**	1,617
Total Current Liabilities	**2,011,540**	2,135,518
Long-Term Liabilities		
Operating Lease Liability, Net of Current Portion	**248,784**	500,515
Finance Lease Liability, Net of Current Portion	**-**	-
Deferred Compensation Obligation	**145,836**	124,240
Total Long-Term Liabilities	**394,620**	624,755
Total Liabilities	**2,406,160**	2,760,273
Net Assets		
Net Assets Without Donor Restrictions	**610,169**	961,985
Net Assets With Donor Restrictions	**3,020,281**	2,410,464
Total Net Assets	**3,630,450**	3,372,449
Total Liabilities and Net Assets	**$ 6,036,610**	$ 6,132,722

See accompanying Notes to Financial Statements.

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
Revenue and Support				
Contributions	**$ 1,236,367**	**$ 662,171**	**$ 1,898,538**	$ 1,680,055
Grants	**10,476,183**	**-**	**10,476,183**	8,809,259
Counseling	**342,959**	**-**	**342,959**	357,921
Trainings and Publications	**382,636**	**-**	**382,636**	268,962
Dividend and Interest Income	**69,694**	**46,190**	**115,884**	56,755
Training Adoption Competency	**429,718**	**-**	**429,718**	363,484
Special Events, Net of Direct Expenses of $183,743 for 2025 and $206,154 for 2024	**407,176**	**-**	**407,176**	407,820
Other Revenue	**69,906**	**-**	**69,906**	68,064
Net Assets Released - Satisfaction of Restrictions	**309,203**	**(309,203)**	**-**	-
Total Revenue and Support	**13,723,842**	**399,158**	**14,123,000**	12,012,320
Expenses				
Program Services				
Counseling	**3,389,077**	**-**	**3,389,077**	3,356,523
Education Resources and Trainings	**643,449**	**-**	**643,449**	687,040
Publications	**125,782**	**-**	**125,782**	114,142
Training Adoption Competency	**696,002**	**-**	**696,002**	580,867
Youth Development	**35,232**	**-**	**35,232**	39,707
National Initiatives	**7,211,011**	**-**	**7,211,011**	5,839,552
Total Program Services	**12,100,553**	**-**	**12,100,553**	10,617,831
Supporting Services				
General and Administrative	**1,439,343**	**-**	**1,439,343**	930,975
Fundraising	**565,706**	**-**	**565,706**	473,698
Total Supporting Services	**2,005,049**	**-**	**2,005,049**	1,404,673
Total Expenses	**14,105,602**	**-**	**14,105,602**	12,022,504
Change in Net Assets from Operations	**(381,760)**	**399,158**	**17,398**	(10,184)
Realized/Unrealized Gain on Investments	**29,944**	**210,659**	**240,603**	174,460
Change in Net Assets	**(351,816)**	**609,817**	**258,001**	164,276
Net Assets, Beginning of Year	**961,985**	**2,410,464**	**3,372,449**	3,208,173
Net Assets, End of Year	**$ 610,169**	**$ 3,020,281**	**$ 3,630,450**	$ 3,372,449

See accompanying Notes to Financial Statements.

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Program Services							Supporting Services				
	Counseling	Education Resources and Trainings	Publications	Training Adoption Competency	Youth Development	National Initiatives	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	**2025 Total**	2024 Total
Salaries and Benefits	$ 2,383,551	$ 492,090	$ 8,258	$ 210,234	$ 5,460	$ 2,650,060	$ 5,749,653	$ 1,436,737	$ 423,332	$ 1,860,069	**$ 7,609,722**	$ 6,813,782
Communications	23,804	1,480	-	1,320	-	17,817	44,421	106,213	1,280	107,493	**151,914**	211,121
Occupancy	159,514	973	5,876	-	-	62,116	228,479	80,754	17,523	98,277	**326,756**	324,530
Depreciation/Amortization	-	-	-	-	-	-	-	73,889	-	73,889	**73,889**	79,858
Equipment Repairs and Maintenance	35,006	-	-	170	-	87,401	122,577	149,927	455	150,382	**272,959**	227,645
Travel	39,852	17,798	-	50,893	6,639	270,036	385,218	43,905	7,775	51,680	**436,898**	273,949
Consultants and Professional Services	197,385	24,243	4,500	143,870	15,966	411,135	797,099	295,192	83,334	378,526	**1,175,625**	780,267
Training and Evaluation	20,091	366	-	136,810	-	5,028	162,295	10,702	75	10,777	**173,072**	160,999
Cost of Goods Sold	-	22	106,325	-	-	-	106,347	-	-	-	**106,347**	97,675
Office Expenses	20,436	92	575	8,938	6,145	325,950	362,136	32,908	4,011	36,919	**399,055**	153,350
Partner Payments	240,211	-	-	75,831	-	2,554,979	2,871,021	-	-	-	**2,871,021**	2,447,483
Advertising and Marketing	4,230	10,866	-	6,560	450	56,202	78,308	39,309	-	39,309	**117,617**	101,322
Dues and Subscriptions	4,822	2,517	-	4,663	550	25,956	38,508	79,775	6,386	86,161	**124,669**	90,835
Miscellaneous	8,419	60,902	248	5,235	22	67,455	142,281	102,242	21,535	123,777	**266,058**	259,688
Overhead Allocation	251,756	32,100	-	51,478	-	676,876	1,012,210	(1,012,210)	-	(1,012,210)	**-**	-
Total Expenses	$ 3,389,077	$ 643,449	$ 125,782	$ 696,002	$ 35,232	$ 7,211,011	$ 12,100,553	$ 1,439,343	$ 565,706	$ 2,005,049	**$ 14,105,602**	$ 12,022,504

See accompanying Notes to Financial Statements.

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	**$ 258,001**	$ 164,276
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation and Amortization	**73,889**	79,858
Bad Debt Expense	**8,119**	16,816
Realized and Unrealized Gain on Investments	**(240,603)**	(174,460)
Donated Investments	**(1,518,807)**	(8,960)
Operating Lease Expense	**240,580**	240,580
Changes in		
Grants and Contributions Receivable	**(647,202)**	(133,351)
Other Receivables	**474,175**	-
Prepaid Expenses and Other Assets	**7,760**	(22,104)
Deposits	**(1,320)**	-
Deferred Compensation Asset	**(21,596)**	(13,305)
Accounts Payable and Accrued Liabilities	**(50,884)**	327,213
Accrued Salaries and Related Benefits	**72,858**	148,113
Refundable Advance	**50,562**	(396,480)
Operating Lease Liability	**(258,548)**	(251,723)
Deferred Compensation Obligation	**21,596**	13,305
Net Cash Used in Operating Activities	**(1,531,420)**	(10,222)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	**(61,194)**	(32,358)
Purchases of Investments	**-**	(689,918)
Proceeds from Sales of Investments	**1,495,212**	250,000
Net Cash Provided by (Used in) Investing Activities	**1,434,018**	(472,276)
Cash Flows from Financing Activities		
Payment on Line of Credit	**(5,196,481)**	(4,683,796)
Proceeds from Line of Credit	**4,999,544**	4,798,531
Principal Payments on Finance Lease Liability	**(1,617)**	(9,594)
Net Cash (Used in) Provided by Financing Activities	**(198,554)**	105,141
Net Decrease in Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents	**(295,956)**	(377,357)
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents, Beginning of Year	**393,989**	771,346
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents, End of Year	**$ 98,033**	$ 393,989
Supplementary Disclosure of Cash Flow Information		
Interest Paid	**$ 34,044**	$ 48,144

See accompanying Notes to Financial Statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Center for Adoption Support and Education, Inc. (C.A.S.E.) is a national leader in mental health, ensuring the well-being and permanence of children, families, and individuals connected to adoption, foster, and kinship care. C.A.S.E. works across every level of the permanence ecosystem—delivering direct services, training professionals, and driving systems change—to ensure families stay together and thrive. C.A.S.E.'s approach is rooted in Adoption Competence: a deep understanding of the unique experiences shaped by loss, identity, trauma, belonging, and more. C.A.S.E. has been advancing this mission since 1998, fueled by the belief that every child deserves lasting connection, and every family deserves the support to make it possible.

The program services provided by C.A.S.E. include:

Counseling - As a private, nonprofit mental health support center for adoptive, kinship, and foster youth and their families, each year C.A.S.E. provides adoption competent mental health services to over 1,300 foster, kinship, and adoptive families and adoptive youth/teens, adult adoptee's and their families, in Maryland, Northern Virginia, and Washington, D.C. C.A.S.E. addresses common developmental issues and social-emotional challenges frequently shared by foster/kinship youth, adoptee's, and their families. Post-adoption care involves early intervention measures to ensure that children and families can thrive. C.A.S.E. staff are a multi-disciplinary team trained in C.A.S.E.'s accredited evidence-based Training for Adoption Competency (TAC) Training bringing together expertise in the field of social work, family therapy, trauma informed care, expressive therapy, and education to address the unique needs of this population. C.A.S.E. combines best practices and innovation to provide premiere counseling services to advance permanency for children and the healthy growth and development of families.

Wendy's Wonderful Kids, The Dave Thomas Foundation for Adoption has awarded C.A.S.E. a grant to implement the *Wendy's Wonderful Kids* evidence-based proactive, child-focused recruitment model in the State of Maryland targeted exclusively on moving the longest-waiting children from foster care into adoptive families.

C.A.S.E. has contracted with the Maryland Department of Human Services to help children aged 18 and younger who have been adopted from foster care to grow in permanent, stable, and loving families. This state-wide program provides adoptive families with access to specialized post-adoption mental health services, clinical resources, educational support, and related services designed to help them navigate the complexities of adoption. Through this comprehensive approach, C.A.S.E. has served 87 families and 294 individuals in 2025.

C.A.S.E. is leading the Northern Post Adoption Case Consortium Initiative, partnering with Children's Home Society of Virginia and enCircle through funding from the Virginia Department of Social Services to offer post-adoption case management and clinical services to help adoptive families in Virginia access appropriate services and resources through community-based linkage and referral, education, and advocacy. In 2025, 127 families have been served.

Education Resources and Trainings - C.A.S.E.'s training programs and educational forums integrate theory, research, and best and innovative practices designed by our experts as well as national experts and those with lived experience in pre- and post-adoption support to meet the specific needs of local, national, and international foster, kinship, and adoption communities. In 2025, 6,396

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Education Resources and Trainings (continued) - registrants signed up for 10 Strengthening Your Family webinars and three additional webinars. 273 individuals participated in 12 customized trainings, workshops, and presentations provided by C.A.S.E. staff to parents or professionals via contracting and community organizations. 87 individuals in the Association of TAC Professionals participated in four trainings.

One WISE Up! Train the Trainer workshop was offered with three new organizations becoming licensed WISE Up! Sites for a total of 17 licensed sites. C.A.S.E. also offered five support group series for parents and adult adoptees with 353 individuals participating. C.A.S.E. delivered 390 in-demand educational webinars to support families and professionals.

Training for Adoption Competency (TAC) - TAC is a national evidence-informed, accredited, rigorously evaluated, manualized training program, developed and owned by C.A.S.E. to provide licensed mental health professionals with the clinical skills they need to provide quality clinical services to adopted persons, birth families, prospective adoptive parents, and adoptive families and kinship families. TAC curriculum is based on 18 clinical competencies vetted nationally with a National Advisory Board of experts with lived and professional expertise. These competencies also provide the foundation for the definition of an adoption competent mental health professional. In 2025, TAC received re-accreditation by the Institute for Credentialing Excellence. TAC remains the only assessment-based adoption competency program. TAC training has been replicated with 225 cohorts, training 3,083 professionals. In 2025, 19 cohorts of TAC were provided by C.A.S.E. and its 19 partner agencies throughout the United States for a total of 233 students enrolled. Refer to www.adoptionsupport.org for specific localities.

School-Based Mental Health Professionals Training - In 2024, C.A.S.E. adapted the NTI Training for Mental Health Professionals to assure school-based mental health professionals, including school counselors, social workers, therapists, psychologists, and other professionals and administrators, would have the ability to understand and address the mental health and development challenges of students with experiences of adoption, foster care, and kinship care in public, private, and charter K-12 grades. Many of these students experience academic and social/peer challenges due to their early adverse experiences combined with interruptions in learning resulting from multiple moves and placement changes. This training was launched in September 2023. Implementation in local and national schools and school districts and evaluation activities are funded by private funding. In 2025, 1,029 school-based mental health professionals enrolled in the training with 2,029 enrolling since the training launched. Additionally, implementation specialists provided professional development workshops and worked with schools, school districts, and state departments of education to promote integration of the training.

Academy for Elevating Clinical Practice in Permanency (the Academy) - The Academy was created in 2021, then known as the National Demonstration and Teaching Clinic (DTC), to address the combined national mental health crisis and national workforce shortage by preparing mental health professionals to serve the adoption, foster care, and kinship caregiving community more efficiently and effectively. At the Academy, therapists of all levels grow and deepen in adoption specialty practice through a range of supports. These include:

- Newly created advanced coursework proprietary to the Academy

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Academy for Elevating Clinical Practice in Permanency (the Academy) (continued)

- Participation in year-long learning cohorts with their peers and advanced consultants
- Access to C.A.S.E.'s learning management system with two uniquely created instructional video collections, proprietary to the Academy
- Optional training in the simulation laboratory

Audiences of the Academy include interns, mid-level/post mental health clinicians, and advanced clinicians. The Academy piloted with the intern audience at C.A.S.E. from 2022-25, through a collaboration for workforce development with the University of Oklahoma 2023-25, and with two of the three courses for advanced clinicians that were piloted in 2024, ran again in 2025, and a new course was added along with two 20 session learning cohorts: one for mid-level and one for advanced clinicians, respectively. Demonstrable outcomes on various measures are showing promising results including pre and post data. Offerings will be available simultaneously to intern and advance audiences in 2026.

National Initiatives - The National Adoption Competency Mental Health Training Initiative (NTI) (#90CO1144) aims to enhance the capacity of child welfare professionals and mental health practitioners to better understand and address the mental health and developmental needs of children moving to or having achieved permanency through adoption, kinship, or guardianship. Through this initiative, child welfare professionals and mental health practitioners in all states, tribes, and territories will have access to two state of the art, evidence-informed, standardized web-based trainings to provide the casework and clinical practices to promote child well-being and family stability. NTI was established in October 2014 through a five year, $9 million cooperative agreement with the Children's Bureau, Administration of Children and Families, Department of Health and Human Services. The cooperative agreement was extended through September 2022 with additional $1 million/year senate appropriations funding to continue the implementation nationally. The cooperative agreement was refunded in October 2022 for five years, $10 million, to continue nationwide infusion and implementation within child welfare systems and increase utilization by mental health providers along with updating the curriculum and continuing the evaluation. Since 2019, 35 state child welfare agencies are either hosting or actively promoting NTI with their staff and another 23 local, state, and national child welfare or mental health private organizations have integrated NTI into practice. In 2025, an additional 2,806 professionals enrolled in NTI with more than 31,033 individuals enrolling in NTI since 2017.

C.A.S.E. was awarded a new five year initiative for $20 million in September 2023, to create the National Center for Adoption Competent Mental Health Services. This initiative was funded through a cooperative agreement (#90CO1145) with the Children's Bureau, Administration of Children and Families, Department of Health and Human Services. The National Center for Adoption Competent Mental Health Services aims to improve mental health outcomes for children and families who experienced child welfare systems by providing technical assistance that bridges the gap between child welfare and mental health systems to increase access to the adoption competent mental health services that children and families need. C.A.S.E. is collaborating

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

National Initiatives (continued) - work with national leaders as well as parents and young adults with lived experience to provide a continuum of services to support cross-system collaboration between child welfare systems and mental health systems. C.A.S.E. will offer services ranging from articles, webinars, and peer learning communities to hands-on, tailored technical assistance (TA) to deliver new and enhanced support and training to states, tribes, territories, and professionals to meet the needs of children and families. C.A.S.E. has engaged five national partners and subject matter experts to help lead this initiative. Currently, C.A.S.E. is providing intensive TA to five national sites and one tribal nation. C.A.S.E. is a partner with Spaulding for Children, the lead agency, on a national initiative to create a National Center for Enhanced Post-Adoption Support. This initiative was funded through a cooperative agreement with the Children's Bureau, Administration of Children and Families, Department of Health and Human Services in October 2023. The Post-Adoption Center will serve as a hub for post-adoption expertise and evidence-informed training and technical assistance to support states, tribal nations, and territories around the country as they develop and implement responsive, comprehensive, and accessible post-adoption services.

Publications - C.A.S.E. publications educate families, professionals, and the community about a wide range of topics to support the foster, kinship, and adoption communities. C.A.S.E. staff members continue to author books, articles, and fact sheets to further educate parents and professionals.

C.A.S.E. publications include a monthly e-newsletter, *Beneath The Mask: Understanding Adopted Teens, Beneath The Mask: For Teen Adoptees, The Whole Me, W.I.S.E. Up! Powerbook for Adoptees and Foster Care, and 52 Ways to Talk about Adoption*.

Basis of Accounting

C.A.S.E. has presented its financial statements in accordance with accounting principles generally accepted in the United States of America.

Prior Year Information

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2024. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with C.A.S.E.'s financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

C.A.S.E. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. C.A.S.E. is not a private foundation. C.A.S.E. believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. C.A.S.E. recognizes interest expense and penalties related to unrecognized tax benefits, if any, in general and administrative expenses on the statement of activities. During the years ended December 31, 2025 and 2024, C.A.S.E. did not have net tax income from unrelated business activity; therefore, there is no provision in these financial statements for income taxes or interest and penalties related to unrecognized tax benefits. Tax years prior to 2022 are no longer subject to examination by the IRS or the tax jurisdiction of the State of Maryland.

Cash and Cash Equivalents

C.A.S.E. considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents that are not held in the investment portfolio.

C.A.S.E. maintains cash accounts at several financial institutions. Amounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, C.A.S.E.'s cash balances exceeded federally insured limits. Management believes the risk in these situations to be minimal.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent cash in a bank account that is restricted by donors for the endowment fund. These amounts are for long-term purposes and recorded separately on the statement of financial position.

Cash and cash equivalents and restricted cash and cash equivalents on the statement of cash flows is comprised of the following for the years ended December 31:

	2025	2024
Cash and Cash Equivalents	**$ 98,033**	$ 293,989
Restricted Cash and Cash Equivalents	**-**	100,000
Total Cash and Cash Equivalents and Restricted Cash and Cash Equivalents Shown in the Statement of Cash Flows	**$ 98,033**	$ 393,989

Right-of-Use Assets and Lease Liabilities

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-Use Assets and Lease Liabilities (Continued)

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring C.A.S.E.'s right-of-use assets and lease liabilities. Operating lease expense and finance lease amortization expense is allocated over the remaining lease term on a straight-line basis. Finance lease interest expense is calculated using a risk-free rate that approximates the remaining term of the lease multiplied by the outstanding finance lease liability.

C.A.S.E. considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, C.A.S.E. does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

Investments

Investments consist of money funds, certificates of deposit with original maturities in excess of three months, mutual funds, exchange-traded funds, and stocks. Investments in mutual funds, exchange-traded funds, and stocks are reported at their fair value based on quoted market prices provided by independent investment managers. Certificates of deposit are considered debt securities and, therefore, are recorded at fair value. Realized and unrealized gains and losses, net of fees, are included in interest and investment income (loss) in the statement of activities. Donated investments are reflected as contributions at their fair values at date of receipt.

Money market funds held in investment accounts with investment institutions are classified as investments on the statement of financial position. Investments subject to donor restrictions are classified as long-term investments on the statement of financial position.

C.A.S.E. received donated investments with a fair value of $1,518,807 and $8,960 for the years ended December 31, 2025 and 2024, respectively.

Grants and Pledges Receivable

C.A.S.E. records grants and pledges receivable, net of an allowance for doubtful accounts. The allowance is determined based on a review of the estimated collectability of the specific assets, plus a provision based on historical loss experience and existing economic conditions.

Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an amount, or a portion thereof, to be uncollectible. As of December 31, 2025 and 2024, management deemed all receivables to be collectible and, as such, no allowance for doubtful accounts has been provided for in these financial statements. Bad debt expense was $8,119 and $16,816 at December 31, 2025 and 2024, respectively.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Pledges Receivable (Continued)

Unconditional promises to give that are expected to be collected within one year are reflected as current pledges receivable and recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are reflected as long-term pledges receivable and recorded at the present value of their net realizable values. The discount on long-term pledges receivable is computed using a risk-free interest rate at the time the promise is made. Amortization of the discount is included in contributions. C.A.S.E. records pledges receivable, net of an allowance for doubtful accounts. The allowance is determined based on a review of the estimated collectability of the specific assets, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an amount, or a portion thereof, to be uncollectible. As of December 31, 2025 and 2024, management deemed all pledges receivable to be collectible and, as such, no allowance for doubtful accounts has been provided for in these financial statements.

Inventory

Inventory consists of publications, which are stated at the lower of cost or market value using the first-in, first-out method. Inventory is included in other assets on the statement of financial position.

Property and Equipment

Property and equipment in excess of $1,000 with an estimated useful life of more than one year is capitalized and stated at cost. Depreciation and amortization is provided over the estimated useful lives of the respective assets, ranging from three to seven years, on a straight-line basis. Leasehold improvements are amortized over the shorter of the useful life or the term of the lease. The website is amortized over its estimated useful life (five years).

Refundable Advance

Refundable advance consists mainly of grant and funding received in advance of the incurred related expenses. Revenue is recognized when the related expenses have occurred.

Net Assets

C.A.S.E.'s net assets are classified into the following categories:

Net Assets Without Donor Restrictions - these net assets are available for the operation of C.A.S.E.

Net Assets With Donor Restrictions - these net assets include contributions and grants subject to donor-imposed stipulations that will be met by the actions of C.A.S.E, the passage of time, or whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by C.A.S.E.'s actions. Net assets with donor restrictions become net assets without donor restrictions when the contributions or grants are used for their restricted purposes, or when the time restrictions expire, at which time they are reported in the statement of activities as net assets released from restrictions.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

In celebration of their 20th Anniversary in April 2018, C.A.S.E. launched a Growing Together Campaign to generate $1 million in planned gifts, $2 million for an endowment, and $2 million in growth capital for new program development, expansion, and innovation. Due to the pandemic, C.A.S.E. extended the campaign to December 2021 and raised approximately $5.2 million in total. The Board of Directors approved investment of growth capital for key priorities in the strategic plan of $414,462 and $122,070 for the years ended December 31, 2025 and 2024, respectively.

Revenue Recognition

C.A.S.E. recognizes revenue through the five-step model prescribed by the Financial Accounting Standards Board's (FASB) in the Accounting Standards Codification (ASC), *Revenue from Contracts with Customers*: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when a performance obligation is met. C.A.S.E. applies the practical expedient in ASC 606-10-50-14 and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Grant revenue under a C.A.S.E. contract is comprised of an exchange element based on the value of benefits provided. Revenue is recognized over the period to which the contract applies. Revenue received in advance and not yet earned is deferred to the applicable period. Revenue earned but not yet received is recorded as grants and pledges receivable. Grants and pledges receivable for these reciprocal contracts at December 31, 2025, is $315,347.

Grant revenue includes $2.5 million of counseling revenue at December 31, 2025.

Special events revenue is recorded equal to the fair value of benefits provided with the special event payment. Special events revenue for the years ended December 31, 2025 and 2024, includes $160,371 and $100,907, respectively, that is restricted for counseling fees - family assistance and staff training.

Fees for counseling, trainings and publications are recognized as earned when the project work is completed or when the related event has occurred.

Contributions and grants are classified as either conditional or unconditional. Unconditional contributions and grants, including unconditional promises to give are recognized at fair value when the commitment to contribute is received and are reported as without donor restrictions revenue and support unless specifically restricted by the donor or by law. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as revenue and support with donor restrictions.

Revenue is recognized on a conditional contribution or grant once a barrier or hurdle to be entitled to the resource is overcome and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if C.A.S.E. fails to overcome the barrier. Any funding received prior to overcoming the barrier is recognized as refundable advance in the statement of financial position. C.A.S.E. has executed conditional grant agreements totaling approximately $7.3 million that have not been recognized as of December 31, 2025.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

C.A.S.E. receives funding under cost-reimbursable federal and state grants and contracts which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when C.A.S.E. has incurred expenditures in compliance with specific grant or contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advance in the statement of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs incurred by a program or supporting service are charged directly to that service. Other general and administrative costs have been allocated based on an overhead allocation. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications

Certain 2024 amounts have been reclassified for comparative purposes.

2. LIQUIDITY AND AVAILABLE RESOURCES

C.A.S.E. regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. C.A.S.E. has various sources of liquidity at its disposal, including cash and cash equivalents, investments, and its line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, C.A.S.E. considers all expenditures related to its ongoing activities. In addition to financial assets available to meet general expenditures over the next 12-months, C.A.S.E. operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. At December 31, 2025 and 2024, the following table reflects the total financial assets held by C.A.S.E. 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:

	2025	2024
Financial Assets		
Cash and Cash Equivalents	**$ 98,033**	$ 393,989
Grants and Contributions Receivable, Net	**1,660,007**	1,020,924
Other Receivables	**302,147**	776,322
Investments, Short-Term	**147,777**	640,427
Investments, Long-Term	**2,954,632**	2,197,784
	5,162,596	5,029,446
Less Those Unavailable for General Expenditure within One Year Due to		
Restricted Cash and Cash Equivalents for Endowment	**-**	(100,000)
Investments Subject to Donor Restrictions	**(2,954,632)**	(2,197,784)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	**$ 2,207,964**	$ 2,731,662

2. LIQUIDITY AND AVAILABLE RESOURCES (CONTINUED)

As noted in Note 4, C.A.S.E. has an additional $625,000 available to draw upon from their line of credit to meet general expenditures.

3. INVESTMENTS

Investments consist of the following at December 31:

	2025	2024
Money Funds	**$ 539,172**	$ 46,804
Certificates of Deposit	**-**	596,967
Equities - Mutual Funds and Exchange-Traded Funds	**2,346,608**	2,083,012
Equities - Stocks	**216,629**	111,428
	3,102,409	2,838,211
Less Short-Term Investments	**(147,777)**	(640,427)
Long-Term Investments	**$ 2,954,632**	$ 2,197,784

Interest and investment income, net, consists of the following for the years ended December 31:

	2025	2024
Dividend Income	**$ 68,067**	$ 50,370
Interest Income	**66,580**	23,526
Realized and Unrealized Gain on Investments, Net	**240,603**	174,460
Investment Fees	**(18,763)**	(17,141)
	$ 356,487	$ 231,215

4. LINE OF CREDIT

C.A.S.E. has a $750,000 line of credit, which bears interest at *The Wall Street Journal's* prime rate plus 1%. The line of credit is secured by any and all property of C.A.S.E. The line of credit has no maturity date. There was an outstanding balance of $125,000 and $321,937 at December 31, 2025 and 2024, respectively.

5. CONCENTRATIONS

As of December 31, 2025, two grants and contracts comprised approximately 56% of grants and contributions receivable. For the year ended December 31, 2025, three grants and contracts accounted for approximately 59% of grants and contributions revenue. For the year ended December 31, 2024, four grants and contracts comprised approximately 78% of grants and contributions receivable, and three grants and contracts accounted for approximately 53% of grants and contributions revenue.

6. DONATED SERVICES

During the year ended December 31, 2025, C.A.S.E. received donated services of $152,283, of which $112,524 is included in professional services and occupancy expenses in the statement of functional expenses, and $39,759 is netted with special events revenue on the statement of activities, and are allocated as follows:

	Program Services		Support Services		
	Counseling	Youth Development	General and Administrative	Fundraising	2025 Total
Occupancy	$ 9,000	$ -	$ -	$ -	$ 9,000
Consultants and Professional Services	-	1,680	101,844	-	103,524
Special Events	-	-	-	39,759	39,759
Total Expenses	$ 9,000	$ 1,680	$ 101,844	$ 39,759	$ 152,283

C.A.S.E. was provided legal, HR and IT consulting, golf tournament supplies, and rental space at no cost. Based on current market rates for these services and supplies, C.A.S.E. would have paid $152,283 for the year ended December 31, 2025.

All donated services received by C.A.S.E. for the year ended December 31, 2025, were considered without donor restrictions and available to be used by C.A.S.E. as determined by the Board of Directors and management.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	2025	2024
Corpus and Expendable Portion of Endowment Fund	**$ 2,951,193**	$ 2,294,344
Scholarship and Staff Development Fund	**69,088**	116,120
Total	**$ 3,020,281**	$ 2,410,464

For the year ended December 31, 2025, net assets released from donor restrictions were as follows:

Endowment Fund	$ 100,000
Scholarship Fund	209,203
	$ 309,203

8. LEASES

C.A.S.E. has both operating and finance leases for office space and office equipment. C.A.S.E. leases office space in different locations. The main office is in Burtonsville, Maryland, and C.A.S.E. also currently has offices in Baltimore City, Maryland; Frederick, Maryland; Prince George's County, Maryland; Towson, Maryland; Annandale, Virginia; and Washington, D.C.

Operating Lease under Topic 842

The Burtonsville, Maryland, office space is leased under an agreement, which originated in December 2018, commenced October 1, 2019, and expires January 31, 2028, with an option to renew for an additional five years. In addition to the base lease payment, C.A.S.E. is responsible for a proportionate share of operating expenses and taxes.

8. LEASES (CONTINUED)

Operating Lease under Topic 842 (Continued)

C.A.S.E.'s share of these costs was approximately $17,500 during 2025 and is included in occupancy expense on the statement of functional expenses for the year ended December 31, 2025. The lease included an abatement of 50% for the first eight months of the lease.

The Annandale, Virginia, office space is leased under an agreement signed in April 2022 and commenced in June 2022. The lease term is 52 months. Base lease payment under the lease will increase by 2.5% each year. In addition to the base lease payment, C.A.S.E. is responsible for its proportionate share of operating expenses and taxes. C.A.S.E.'s share of these costs was approximately $5,600 during 2025 and is included in occupancy expense on the statement of functional expenses for the year ended December 31, 2025. The lease includes an abatement of 100% for the first three months of the lease and for the first two months of the second lease year. The lease has an option to renew for an additional three years.

Under accounting principles generally accepted in the United States of America (U.S. GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term. Operating lease expense for these leases totaled approximately $240,000 and is included in occupancy expense on the statement of functional expenses for the year ended December 31, 2025.

Maturity of the operating lease liability as of December 31, 2025, is as follows:

For the Years Ending December 31,	
2026	$ 256,978
2027	230,973
2028	19,642
Total Undiscounted Minimum Lease Payments	507,593
Less Discount to Present Value	(7,078)
Total Operating Lease Liability	$ 500,515

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information	Amount
Weighted-Average Remaining Lease Term (Years)	2.00
Weighted-Average Discount Rate	1.44%

The Baltimore City, Maryland, office space is donated to C.A.S.E. through the Baltimore City Department of Social Services. The office space commenced November 15, 2021, and does not have a maturity date. The value of the in-kind lease is approximately $750 per month.

In accordance with FASB ASU 2016-02, *Leases,* C.A.S.E. considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly short-term lease costs associated with month-to-month office rent are expensed as payments when incurred. The short-term leases are as follows:

The Frederick, Maryland, office space lease was subleased under a one year agreement that commenced March 1, 2023, and expired on January 31, 2024. The sublease agreement is renewable 30 days prior to the end of the term. The sublease was renewed through February 28, 2026.

8. LEASES (CONTINUED)

Operating Lease under Topic 842 (Continued)

The Prince George's County, Maryland, office space was leased under a one year agreement that commenced February 1, 2019, and terminated January 31, 2020. As of February 1, 2020, C.A.S.E. continued its lease on a month-to-month agreement.

The Towson, Maryland, office space is leased under a one-year agreement, that has been extended from year to year. The lease was most recently renewed for one year effective August 1, 2025.

The Washington, D.C., office space was leased under a one year agreement that commenced April 1, 2022, and terminated March 31, 2023. As of April 1, 2023, C.A.S.E. continued its lease on a month-to-month agreement.

Operating lease expense for the short-term leases was approximately $55,000 and is included in occupancy expense on the statement of functional expenses for the year ended December 31, 2025.

Finance Lease under Topic 842

C.A.S.E. is obligated under a non-cancelable finance lease for a copier which expired in February 2025. Amortization on the finance right-of-use asset totaled $1,545 and is included in depreciation and amortization expense on the statement of functional expenses for the year ended December 31, 2025. The accumulated amortization on the finance right-of-use asset was $29,352 as of December 31, 2025. Interest expense on the finance lease liability totaled $1 for the year ended December 31, 2025.

The supplementary qualitative finance lease information is as follows:

Supplementary Qualitative Finance Lease Information	Amount
Interest Paid for Amounts Included in the Measurement of Finance Lease Liabilities - Operating Cash Flows	$ 4

9. RETIREMENT PLANS

C.A.S.E. provides retirement benefits to its employees through a defined contribution plan covering all employees. C.A.S.E. matches 100% of each employee's contribution, up to 4% of gross wages. Contributions to the plan during the years ended December 31, 2025 and 2024, totaled $160,863 and $127,577, respectively.

During 2019, C.A.S.E. established a Section 457 deferred compensation plan, to provide a select group of management or highly compensated employees the ability to defer a portion of their compensation to provide retirement benefits, and provides for discretionary contributions by C.A.S.E. The deferred compensation plan was established to comply with the requirements of Section 457 of the Internal Revenue Code (Code). C.A.S.E. did not contribute for the years ended December 31, 2025 or 2024.

10. CONTINGENCY

C.A.S.E. receives grants from various agencies of the United States Government which are subject to audit. Any adjustments to costs allowed under these grants as a result of government audit will be reflected in the period they are determined. Management is of the opinion that no material liability will result from such audit.

C.A.S.E. received revenue and support from federal grants during the year ended December 31, 2025. Any significant reduction in funding from federal grants may impact C.A.S.E.'s ability to carry out its programs and other activities. Historically, C.A.S.E. has not experienced significant losses related to grants receivable and management believes that the credit risk related to these receivables is minimal.

11. ENDOWMENTS

As required by generally accepted accounting principles, net assets established with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor-Restricted Net Assets - Interpretation of Relevant Law

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted into law in Maryland on April 14, 2009, 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, C.A.S.E. classifies as donor-restricted endowments (a) the original value of gifts to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by C.A.S.E. in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, C.A.S.E. considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The preservation of C.A.S.E. and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of C.A.S.E.
7. The investment policies of C.A.S.E.

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires C.A.S.E. to retain as a fund of perpetual duration (underwater endowments). C.A.S.E. has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. C.A.S.E. did not have underwater endowments in 2025 or 2024.

11. ENDOWMENTS (CONTINUED)

Donor-Restricted Endowments' Return Objective and Risk Parameters

C.A.S.E.'s objectives are to invest in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of C.A.S.E., the authorized decision makers have taken into account the time horizon available for investment, the nature of C.A.S.E.'s cash flows and liabilities, and other factors that affect C.A.S.E.'s risk tolerance. Accordingly, the investment objective of the portfolio is growth and income. This investment objective:

- Is a diversified approach that emphasizes capital appreciation over the long-term along with a stable source of current income;
- Implies a willingness to risk some declines in value over the short-term, so long as the portfolio is positioned to exhibit capital appreciation and generate some current income;
- Is expected to earn long-term returns in excess of the rate of inflation over full market cycles (net of spending and investment and administrative expenses), but may lag inflation in some environments;
- Diversifies the portfolio in order to provide opportunities for long-term growth and to reduce the potential for large losses that could occur from holding concentrated positions or over concentration of one particular asset class; and
- Recognizes that investment results over the long-term may lag those of other more aggressively invested portfolios and hence experience lower price volatility which should lead to smoother results through difficult market environments. Nevertheless, this endowment is expected to earn long-term returns that compare favorably to appropriate market indexes.
- Beginning in 2021, the investment strategy includes sustainable, socially conscious, green or ethical investing, which seeks to consider both financial return and social good to bring about positive change.

Spending Policy

The spending policy for the donor-restricted endowments is to make available an amount equal to approximately 5% of the market value of the previous fiscal year's asset balance. Special projects and difficult economic periods may require extraordinary distributions above the 5%.

In such cases a Board resolution is required to authorize the additional amount. No spending will be authorized if the endowment goes below $1.8 million in assets which approximates the corpus of the endowment of $2,004,792. At December 31, 2025, the investment balance of the endowment is $2,951,193.

11. ENDOWMENTS (CONTINUED)

Spending Policy (Continued)

Changes in the donor-restricted endowment fund for the years ended December 31, 2025 and 2024, are as follows:

	With Donor Restrictions
Donor-Restricted Endowment Net Assets, January 1, 2024	$ 2,101,114
Contributions	-
Interest, Dividends, Net of Fees	36,391
Realized and Unrealized Gain on Investments, Net	156,839
Appropriation for Expenditure	-
Donor-Restricted Endowment Net Assets, December 31, 2024	**2,294,344**
Contributions	**500,000**
Interest, Dividends, Net of Fees	**46,190**
Realized and Unrealized Gain on Investments, Net	**210,659**
Appropriation for Expenditure	**(100,000)**
Donor-Restricted Endowment Net Assets, December 31, 2025	**$ 2,951,193**

12. FAIR VALUE

C.A.S.E. has determined the fair value of certain assets and liabilities through application of the Fair Value Measurement (Topic 820) of the FASB Accounting Standards Codification (FASB ASC). Fair values of assets and liabilities measured on a recurring basis at December 31, 2025 and 2024, are as follows:

		Fair Value Measurements at Reporting Date Using		
December 31, 2025	Fair Value	Quoted Prices in Active Markets Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Assets				
Money Funds	**$ 539,172**	**$ 539,172**	**$ -**	**$ -**
Equities - Mutual Funds and Exchange - Traded Funds	**2,346,608**	**2,346,608**	**-**	**-**
Equities - Stocks	**216,629**	**216,629**	**-**	**-**
Deferred Compensation Asset	**145,836**	**145,836**	**-**	**-**
Total Assets	**$ 3,248,245**	**$ 3,248,245**	**$ -**	**$ -**
Liabilities				
Deferred Compensation Obligation	**$ (145,836)**	**$ (145,836)**	**$ -**	**$ -**
December 31, 2024				
Assets				
Money Funds	$ 46,804	$ 46,804	$ -	$ -
Certificates of Deposit	596,967	-	596,967	-
Equities - Mutual Funds and Exchange - Traded Funds	2,083,012	2,083,012	-	-
Equities - Stocks	111,428	111,428	-	-
Deferred Compensation Asset	124,240	124,240	-	-
Total Assets	$ 2,962,451	$ 2,365,484	$ 596,967	$ -
Liabilities				
Deferred Compensation Obligation	$ (124,240)	$ (124,240)	$ -	$ -

This FASB ASC topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide the highest quality inputs. Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets in active or inactive markets or other significant observable inputs. Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs. C.A.S.E. uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, C.A.S.E. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 investments consist of certificates of deposit and are valued using a market approach from pricing sources utilized by investment managers. There have been no changes in the valuation methodologies during the current year. All assets have been valued using a market approach. The value of the deferred compensation obligation is based upon the underlying fair value of the deferred compensation assets.

13. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020. During 2023, C.A.S.E. applied for approximately $776,000 of ERC related to the year ended December 31, 2021. The ERC was recorded as employee retention credits on the statement of activities and other receivables on the statement of financial position. C.A.S.E. received $474,000 in 2025 and the remaining balance in March 2026.

14. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 18, 2026, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CENTER FOR ADOPTION SUPPORT AND EDUCATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Award Number	Total Federal Expenditures	Provided to Subrecipients
U.S. Department of Health and Human Services				
Adoption Opportunities	93.652	90CO1144-03-00	$ 1,756,934	$ 768,069
Adoption Opportunities	93.652	90CO1144-04-00	478,727	152,973
Adoption Opportunities	93.652	90CO1145-02-00	3,816,775	1,569,592
Adoption Opportunities	93.652	90CO1145-03-00	688,652	64,345
Pass-Through from Spaulding for Children				
Adoption Opportunities	93.652	HHS-2023-ACF-ACYF-CO-1146	390,788	-
Adoption Opportunities	93.652	HHS-2023-ACF-ACYF-CO-1146	128,471	-
Pass-Through from Virginia Department of Social Services				
Adoption Assistance	93.659	FAM-20-082-01	35,576	-
Adoption Assistance	93.659	FAM-20-082-01	36,083	-
Total Pass-Through Programs from Virginia Department of Social Services			71,659	-
Total U.S. Department of Health and Human Services			7,332,006	2,554,979
Total Federal Expenditures			$ 7,332,006	$ 2,554,979

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of C.A.S.E. under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of C.A.S.E., it is not intended to and does not present the financial position, changes in net assets or cash flows of C.A.S.E.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C.A.S.E. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Board of Directors
Center for Adoption Support and Education, Inc.
Burtonsville, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Center for Adoption Support and Education, Inc. (C.A.S.E.), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
June 18, 2026

Certified Public Accountants

CBM
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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Center for Adoption Support and Education, Inc.
Burtonsville, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Center for Adoption Support and Education, Inc.'s (C.A.S.E.) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of C.A.S.E.'s major federal programs for the year ended December 31, 2025. C.A.S.E.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, C.A.S.E. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of C.A.S.E. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of C.A.S.E.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to C.A.S.E.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on C.A.S.E.'s compliance based on our audit. Reasonable assurance is a high level of assurance but

Auditor's Responsibilities for the Audit of Compliance (Continued)

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about C.A.S.E.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 C.A.S.E.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of C.A.S.E.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of C.A.S.E.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
June 18, 2026

Certified Public Accountants

Section I - Summary of Auditor's Results

Financial Statements	
Type of auditor's report issued on whether the audited financial statements were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency reported not considered to be material weakness?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major programs:	
Material weakness identified?	No
Significant deficiency reported not considered to be material weakness?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title
93.652	Adoption Opportunities

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Audit Findings

None were reported.

Section III - Federal Award Findings and Questioned Costs

None were reported.