



NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES AND AFFILIATES

Consolidated Financial Statements

For the Year Ended September 30, 2021

(With Summarized Financial Information for the Year Ended September 30, 2020)



**and
Report Thereon**



**Reports Required in Accordance with
the Uniform Guidance**

For the Year Ended September 30, 2021



**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**TABLE OF CONTENTS
For the Year Ended September 30, 2021**

	Page
Independent Auditors' Report.....	1-2
Consolidated Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7-20
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	23-24
Schedule of Expenditures of Federal Awards.....	25-27
Notes to Schedule of Expenditures of Federal Awards	28
Schedule of Findings and Questioned Costs	29-30

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
National Council of Juvenile and Family Court Judges
and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the National Council of Juvenile and Family Court Judges and Affiliates (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

- 1 -

Opinion

In our opinion, the 2021 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Council of Juvenile and Family Court Judges and Affiliates as of September 30, 2021, 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.

Other Matter

Report on Summarized Financial Information

We have previously audited the Organization's 2020 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated April 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 March 30, 2022, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Marcum LLP

Washington, DC
March 30, 2022

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2021

(With Summarized Financial Information as of September 30, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 3,606,141	\$ 3,660,575
Grants and accounts receivable, net	846,391	549,554
Prepaid expenses and other assets	111,977	64,469
Investments	3,026,765	2,679,034
Note receivable, net	400,000	780,771
Property and equipment, net	<u>121,818</u>	<u>155,334</u>
TOTAL ASSETS	<u><u>\$ 8,113,092</u></u>	<u><u>\$ 7,889,737</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 355,760	\$ 215,685
Accrued payroll and employee benefits	622,588	622,594
Refundable advances	579,304	595,138
Contract liabilities	165,525	393,959
Note payable	<u>1,266,200</u>	<u>1,266,200</u>
TOTAL LIABILITIES	<u>2,989,377</u>	<u>3,093,576</u>
Net Assets		
Without donor restrictions	2,584,287	2,435,745
With donor restrictions	<u>2,539,428</u>	<u>2,360,416</u>
TOTAL NET ASSETS	<u>5,123,715</u>	<u>4,796,161</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,113,092</u></u>	<u><u>\$ 7,889,737</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

(With Summarized Financial Information for the Year Ended September 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUE AND SUPPORT				
Federal and state grants and contracts	\$ 8,040,465	\$ -	\$ 8,040,465	\$ 8,689,811
Foundation grants and contracts	560,198	-	560,198	236,785
Other grants and contributions	170,419	13,748	184,167	183,571
Fee for service contracts	257,164	-	257,164	283,969
Registration fees	660,674	-	660,674	169,770
Dues and subscriptions (memberships)	247,101	-	247,101	303,123
Investment income, net	64,627	261,057	325,684	43,751
Other revenue and gains	83,940	-	83,940	96,596
Net assets released from restrictions:				
Satisfaction of program restrictions	95,793	(95,793)	-	-
	<u>10,180,381</u>	<u>179,012</u>	<u>10,359,393</u>	<u>10,007,376</u>
TOTAL REVENUE AND SUPPORT				
EXPENSES				
Program Services:				
Family Violence and Domestic Relations	3,422,869	-	3,422,869	3,641,372
Juvenile and Family Law	2,785,341	-	2,785,341	2,468,783
National Center for Juvenile Justice	1,202,358	-	1,202,358	1,238,898
	<u>7,410,568</u>	<u>-</u>	<u>7,410,568</u>	<u>7,349,053</u>
Supporting Services:				
Management and general	2,407,159	-	2,407,159	2,373,670
Fundraising and grant proposals	214,112	-	214,112	163,315
	<u>2,621,271</u>	<u>-</u>	<u>2,621,271</u>	<u>2,536,985</u>
	<u>10,031,839</u>	<u>-</u>	<u>10,031,839</u>	<u>9,886,038</u>
TOTAL EXPENSES				
CHANGE IN NET ASSETS	148,542	179,012	327,554	121,338
NET ASSETS, BEGINNING OF YEAR	<u>2,435,745</u>	<u>2,360,416</u>	<u>4,796,161</u>	<u>4,674,823</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,584,287</u></u>	<u><u>\$ 2,539,428</u></u>	<u><u>\$ 5,123,715</u></u>	<u><u>\$ 4,796,161</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021
(With Summarized Financial Information for the Year Ended September 30, 2020)**

	Program Services				Supporting Services			2021 Total	2020 Total
	Family Violence and Domestic Relations	Juvenile and Family Law	National Center for Juvenile Justice	Total Program Services	Management and General	Fundraising and Grant Proposals	Total Supporting Services		
Personnel	\$ 2,016,304	\$ 2,000,899	\$ 1,009,151	\$ 5,026,354	\$ 1,564,251	\$ 196,634	\$ 1,760,885	\$ 6,787,239	\$ 6,850,367
Supplies and operating	686,759	326,648	158,491	1,171,898	457,987	14,818	472,805	1,644,703	1,392,215
Contractual	403,401	329,158	24,771	757,330	235,742	1,107	236,849	994,179	974,366
Subrecipients	277,888	93,803	-	371,691	-	-	-	371,691	246,596
Travel	15,444	14,049	1,464	30,957	18,791	-	18,791	49,748	203,674
Other Council activities	-	-	-	-	110,595	-	110,595	110,595	137,644
Equipment lease and maintenance	11,598	11,438	4,447	27,483	11,840	845	12,685	40,168	46,343
Depreciation	11,475	9,346	4,034	24,855	7,953	708	8,661	33,516	34,833
TOTAL EXPENSES	<u>\$ 3,422,869</u>	<u>\$ 2,785,341</u>	<u>\$ 1,202,358</u>	<u>\$ 7,410,568</u>	<u>\$ 2,407,159</u>	<u>\$ 214,112</u>	<u>\$ 2,621,271</u>	<u>\$ 10,031,839</u>	<u>\$ 9,886,038</u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2021
(With Summarized Financial Information for the Year Ended September 30, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 327,554	\$ 121,338
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	33,516	34,833
Amortization on note receivable	(19,229)	(37,533)
Net realized and unrealized (gains) losses on investments	(275,551)	4,321
Changes in assets and liabilities:		
Grants and accounts receivable	(296,837)	676,305
Prepaid expenses and other assets	(47,508)	9,741
Accounts payable	140,075	(263,945)
Accrued payroll and employee benefits	(6)	50,232
Refundable advances	(15,834)	354,677
Contract liabilities	(228,434)	198,932
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(382,254)	1,148,901
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(509,466)	(662,795)
Proceeds from note receivable	400,000	400,000
Proceeds from sales of investments	379,073	727,142
NET CASH PROVIDED BY INVESTING ACTIVITIES	269,607	464,347
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on line of credit	-	(60,000)
Proceeds from note payable	-	1,266,200
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	1,206,200
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(112,647)	2,819,448
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,841,188	1,021,740
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,728,541	\$ 3,841,188
CASH REPORTED ON THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 3,606,141	\$ 3,660,575
Cash and cash equivalents held in investments	122,400	180,613
TOTAL CASH AND CASH EQUIVALENTS	\$ 3,728,541	\$ 3,841,188
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ 358
Noncash investing activities:		
Liquidation of cash surrender value of life insurance	\$ -	\$ 21,717
Cash surrender value in accounts receivable	-	(21,717)
	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

1. Organization and Summary of Significant Accounting Policies

Organization

The National Council of Juvenile and Family Court Judges (the Council) is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC), as a nonprofit charitable and educational organization. The Council is not a private foundation.

The charitable and educational purposes of the Council include: (a) improving the standards, practices and effectiveness of courts exercising jurisdiction over families and children; (b) informing or assisting those who deal with or affect these courts; (c) educating persons connected with these courts and other interested members of the public in developments and principles relating to such courts; and (d) engaging in educational and research activities in furtherance of the foregoing objectives.

The principal office of the Council is located in Reno, Nevada. The National Center for Juvenile Justice, the research division of the Council, is located in Pittsburgh, Pennsylvania.

The National Council of Juvenile and Family Court Judges Fund, Inc. (the Fund) is a tax-exempt organization under Section 501(c)(3) of the IRC that was organized to receive, manage and invest endowment funds and to apply the net income to support, benefit and assist the Council.

The National Juvenile Court Foundation, Inc. (the Foundation) is a tax-exempt organization under Sections 501(c)(3) and 509(a)(3) of the IRC that is organized, and at all times exclusively operated, to support the Council and to raise funds and accept dues, gifts, contributions, bequests and endowments in the furtherance of the charitable purposes of the Council.

Principles of Consolidation

The consolidated financial statements include the accounts of the Council, the Fund and the Foundation (collectively referred to as the Organization). The Council, the Fund and the Foundation have been consolidated due to the presence of effective control and economic interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements are prepared using the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities of three months or less. Cash and cash equivalents intended for investment purposes are included in investments in the accompanying consolidated statement of financial position.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

1. Organization and Summary of Significant Accounting Policies (continued)

Grants and Accounts Receivable

Grants and accounts receivable are recognized at net realizable value. The Organization uses the allowance method to record potentially uncollectible accounts receivable.

Investments

Investments are recorded in the accompanying consolidated financial statements at their estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by a comparison of fair value at the beginning and end of the reporting period.

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Applicable financial assets and liabilities are categorized on the basis of the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

As of September 30, 2021, only the Organization's investments, as described in Note 5 of these consolidated financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation

Property and equipment with an expected useful life greater than a year and cost exceeding \$5,000 are capitalized and carried at cost. Depreciation is recorded using the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation (continued)

estimated useful lives, with no salvage value. Furniture and equipment have estimated useful lives of three to 10 years. Maintenance and repairs are expensed as incurred. Significant renewals and betterments are capitalized. At the time assets are retired, or otherwise disposed of, the property and related accumulated depreciation accounts are relieved of the applicable amounts and any gain or loss is credited or charged to income.

Classification of Net Assets

Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and the Board of Directors (the Board). Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Support and Revenue Recognition

Grants, contracts and contributions received by the Organization are considered conditional if the agreement provides both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred asset or a right of release of the promisor's obligation to transfer assets. Conditional contributions received with these donor-imposed conditions are recognized as revenue when the conditions have been met. Amounts received in advance of conditions being met are recorded as refundable advances in the accompanying consolidated statement of financial position.

Unconditional grants and contributions are considered available for unrestricted use unless specifically restricted by the donor. 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. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying consolidated statement of activities as net assets released from restrictions. If a restriction is fulfilled in the accounting period in which the contribution is received, the Organization reports the support as without donor restrictions. Revenue recognized on unconditional grants and contributions that has been committed to the Organization, but has not been received, is reflected as grants and accounts receivable in the accompanying consolidated statement of financial position.

The Organization has several fee for services contracts with states and other organizations, containing various performance obligations. Revenue is allocated to the performance obligations and recognized at the point in time in which the related performance obligation is satisfied. Revenue recognized on these contracts for which payments have not been received is reflected as grants and accounts receivable in the accompanying consolidated statement of financial position.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

1. Organization and Summary of Significant Accounting Policies (continued)

Support and Revenue Recognition (continued)

Registration fees and the related costs for conferences and meetings are recognized at the point in time in which the conferences or meetings are held. Accordingly, registration and exhibit fees received in advance of the conferences or meetings are recorded as contract liabilities, and expenses paid in advance of the conferences or meetings are recorded as prepaid expenses in the accompanying consolidated statement of financial position.

Dues and subscriptions are recognized ratably over a one year period from the membership or subscription date. Membership renewals are billed two months in advance of the membership period lapsing. Accordingly, dues or subscriptions paid by members in advance of the membership period are reported as contract liabilities in the accompanying consolidated statement of financial position. Amounts for membership revenue recognized and not yet received are included in grants and accounts receivable in the accompanying statement of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Personnel costs have been allocated based on employee timesheets to determine direct charges. Shared costs such as occupancy, supplies and depreciation have been allocated based on direct charges or estimates determined by management to be equitable.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Grants and Accounts Receivable

Grants and accounts receivable consisted of the following as of September 30, 2021:

Federal grants receivable	\$ 752,307
Fee for service contracts	54,860
Foundation grants receivables	22,809
Membership receivables	<u>16,415</u>
Total Grants and Accounts Receivable, Net	<u>\$ 846,391</u>

All amounts are due within one year. No allowance was deemed necessary as of September 30, 2021, as management of the Organization considers all amounts fully collectible.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

2. Grants and Accounts Receivable (continued)

The Organization receives funding from the U.S. Government (direct and via pass-through entities) along with other public and private sectors, the amounts of which are conditional contributions as certain milestones and/or the occurrence of other conditions have to be met prior to revenue recognition. During the year ended September 30, 2021, the Organization had \$39,769,807 in active conditional awards; of which \$19,692,120 was recognized as the conditions were met in years prior to September 30, 2021, and \$8,475,663 was recognized during the year ended September 30, 2021. The remaining \$11,602,024 in conditional contributions is available for utilization in years 2022-2023, with revenue recognized as the associated milestones or other conditions are completed or met.

3. Note Receivable

During the year ended September 30, 2016, the Organization and the Organization's former landlord agreed that the Organization would vacate its former office space. As part of this arrangement, the Organization received a note of \$3,100,000, which is being paid to the Organization in annual payments of \$400,000 through January 2022. The interest on the note was imputed using a 3.5% annual interest rate which represented the borrowing rate on the Organization's line of credit at the time the note was signed. During the year ended September 30, 2021, the Organization recognized \$19,229 in imputed interest income, which is included in other revenue and gains in the accompanying consolidated statement of activities. The last future minimum note receivable payment of \$400,000, representing the balance outstanding as of September 30, 2021, was due in January 2022 and collected subsequent to year-end.

4. Investments

Investments are stated at fair value and consisted of the following as of September 30, 2021:

Common stocks	\$ 1,522,495
Fixed-income obligations	856,774
Exchange traded funds	295,993
Mutual funds	229,103
Cash and cash equivalents	<u>122,400</u>
Total Investments	<u>\$ 3,026,765</u>

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

5. Fair Value Measurement

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of September 30, 2021, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Common stocks	\$ 1,522,495	\$ 1,522,495	\$ -	\$ -
Fixed-income obligations:				
Corporate bonds – domestic	339,288	-	339,288	-
Government agency issues	449,629	449,629	-	-
Corporate bonds – foreign	33,487	-	33,487	-
Mortgage-backed securities	19,208	-	19,208	-
Municipal bonds	<u>15,162</u>	<u>-</u>	<u>15,162</u>	<u>-</u>
Total Fixed-Income Obligations	<u>856,774</u>	<u>449,629</u>	<u>407,145</u>	<u>-</u>
Exchange-traded funds:				
Equity	216,022	216,022	-	-
Fixed-income	<u>79,971</u>	<u>79,971</u>	<u>-</u>	<u>-</u>
Total Exchange-Traded Funds	<u>295,993</u>	<u>295,993</u>	<u>-</u>	<u>-</u>
Mutual funds:				
Equity	210,364	210,364	-	-
Diversified	<u>18,739</u>	<u>18,739</u>	<u>-</u>	<u>-</u>
Total Mutual Funds	<u>229,103</u>	<u>229,103</u>	<u>-</u>	<u>-</u>
Subtotal Investments	2,904,365	<u>\$ 2,497,220</u>	<u>\$ 407,145</u>	<u>\$ -</u>
Cash equivalents	<u>122,400</u>			
Total Investments	<u>\$ 3,026,765</u>			

The Organization used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Common stocks and government agency issues, exchange-traded funds, and mutual funds – Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds, mortgage-backed securities and municipal bonds – Valued based on current yields, the securities' terms and conditions, and market activity. Information used includes market sources, credit information, observed market movement and sector news.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

6. Property and Equipment and Accumulated Depreciation

The Organization held the following property and equipment as of September 30, 2021:

Furniture, fixtures and equipment	\$ 349,701
Less: Accumulated depreciation	<u>(227,883)</u>
Property and Equipment, Net	<u>\$ 121,818</u>

Depreciation expense totaled \$33,516 for the year ended September 30, 2021.

7. Contract Liabilities

The following table provide information about significant changes in the contract liabilities for the year ended September 30, 2021:

Contract liabilities – Events – registrations and exhibits, October 1	\$ 246,118
Events – registrations and exhibits revenue recognized	(660,674)
Collections of Events – registrations and exhibits revenue	<u>414,556</u>
Contract Liabilities – Events – Registrations and Exhibits, September 30	<u>-</u>
Contract liabilities – Fee for service contracts, October 1	55,914
Fee for service contracts revenue recognized	(257,164)
Collections of Fee for service contracts revenue	<u>265,186</u>
Contract Liabilities – Fee for Service Contracts, September 30	<u>63,936</u>
Contract liabilities – Memberships, October 1	91,927
Membership revenue recognized	(247,101)
Collections of Membership revenue	<u>256,763</u>
Contract Liabilities – Memberships, September 30	<u>101,589</u>
Total Contract Liabilities	<u>\$ 165,525</u>

8. Note Payable

On May 2, 2020, the Organization entered into a Small Business Administration (SBA) loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$1,266,200. The loan will mature on May 2, 2025, with a fixed interest rate of 1% per annum. Monthly payments of principal and interest totaling \$27,196 will commence ten months after the end of the forgiveness covered period. The loan amount may be eligible for forgiveness

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

8. Note Payable (continued)

pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder can be used for mortgage interest, rent and utility costs over a specified period of time after the loan is made; and the number of employees and compensation levels are maintained. Subsequent to year-end, the Organization filed a loan forgiveness application with its financial institution for forgiveness on the loan for the amount of \$670,418, which was approved by SBA for forgiveness. The Organization is in the process of determining if repayment of the remainder of the loan will be made prior to its maturity date.

9. Commitments

Leases

The Organization leases operating facilities under several leases, the last of which expires in February 2027. Certain of these leases include annual escalation clauses, as well as cancellation options, that allow the Organization to terminate the lease upon losing its federal funding associated with the leased office space. As a result of these cancellation options, the Organization does not recognize rent increases on a straight-line basis over the term of the lease. In addition to annual rentals, several of the leases require the Organization to pay a pro-rata portion of the building operating expenses. The Organization also leases printing and copying equipment under noncancelable leases, which are considered operating leases.

In December 2015, the Organization entered into a 10 year lease agreement for its office space in Reno, Nevada, which began in March 2016. Monthly rent began at \$26,458, plus a prorated share of basic operating costs. The lease also contains an escalation clause for increases in annual rent.

The future minimum lease payments under these lease agreements are as follows:

For the Year Ending September 30,		
2022	\$	579,202
2023		578,267
2024		571,002
2025		579,292
2026		343,384
Thereafter		74,175
Total	\$	2,725,322

Total rent expense for these operating leases was \$576,952 for the year ended September 30, 2021, and is included in supplies and operating expenses on the consolidated statement of functional expenses.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

10. Net Assets With Donor Restrictions

As of September 30, 2021, net assets with donor restrictions were restricted for the following purposes or time periods:

Subject to expenditure for specified purpose:

Scholarships	\$ 134,828
Staff development	62,205
Other	<u>22,128</u>

Total Subject to Expenditure for Specified Purpose 219,161

Subject to occurrence of specified events/passage of time:

Accumulated endowment earnings	<u>1,720,267</u>
--------------------------------	------------------

To be held in perpetuity:

General endowment	<u>600,000</u>
-------------------	----------------

Total Net Assets With Donor Restrictions \$ 2,539,428

11. Endowment

The Organization's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with an endowment fund are classified based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment to be maintained in perpetuity; (b) the original value of subsequent gifts to the endowment to be maintained in perpetuity; and (c) accumulations to the endowment to be maintained in perpetuity made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be maintained in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The Fund's duration and preservation.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

11. Endowment (continued)

Interpretation of Relevant Law (continued)

- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policy of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to projects supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a benchmark portfolio that consists of 55% of the S&P 500 Index and 45% of the Lehman Intermediate Government Credit Index, while assuming a moderate level of investment risk.

As permitted by UPMIFA, the Organization has delegated management and investment of the endowment funds to an external investment manager that must comply with the Organization's investment policy and report investment performance to the Board of Directors.

Strategies Employed for Achieving Objectives and Spending Policy

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Organization strives to be socially and fiscally responsible by committing to the fundamental principles of social responsibility and integrity by which companies that endorse the "Global Sullivan Principles" operate.

The Organization has a policy for distributing up to 7% each year of the endowment fund's average fair value over the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In formulating this policy, the Organization is considering the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund for perpetual duration. There were no such deficiencies as of September

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

11. Endowment (continued)

Funds with Deficiencies (continued)

30, 2021. The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. However, the Organization does not intend to appropriate from funds with deficiencies.

Endowment net asset composition by fund type was as follows as of September 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Historical gift value	\$ -	\$ 600,000	\$ 600,000
Appreciation	<u>-</u>	<u>1,720,267</u>	<u>1,720,267</u>
Total Endowment Net Assets	<u>\$ -</u>	<u>\$ 2,320,267</u>	<u>\$ 2,320,267</u>

Changes in endowment net assets were as follows for the year ended September 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 2,154,495	\$ 2,154,495
Net investment return	-	255,426	255,426
Appropriations	<u>-</u>	<u>(89,654)</u>	<u>(89,654)</u>
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 2,320,267</u>	<u>\$ 2,320,267</u>

12. Availability and Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures at September 30, 2021, were as follows:

Cash and cash equivalents	\$ 3,606,141
Grants and accounts receivable	846,391
Investments	3,026,765
Note receivable	<u>400,000</u>
Total Financial Assets Available Within One Year	7,879,297

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

12. Availability and Liquidity (continued)

(continued)

Less:

Amounts unavailable for general expenditures within one year due
to donor restrictions \$ (2,539,428)

Financial Assets Available to Meet
General Expenditures Within One Year \$ 5,339,869

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives. The Organization can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs.

13. Retirement Plan

The Organization sponsors a tax-sheltered annuity plan (the Plan) in accordance with Section 403(b) of the IRC, which permits employees to make tax-deferred investments through payroll deductions. For each plan participant who has completed one year of continuous full-time service, the Organization contributes to the Plan a percentage of each participant's salary. The maximum contribution level is currently 4%. Under the terms of the Plan, all contributions are immediately 100% vested with the employee. The Organization contributed \$190,929 to the Plan for the year ended September 30, 2021.

14. Concentrations and Contingencies

Compliance Audit

The Organization has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement by the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time although the Organization expects such amounts, if any, to be insignificant.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

14. Concentrations and Contingencies (continued)

Concentration of Revenue and Support

The Organization receives a substantial portion of its total federal and state grants and contracts, \$7,140,349 or approximately 89%, from the U.S. Department of Justice (both direct and pass-through awards).

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of September 30, 2021, the balance held by the Organization in excess of the FDIC insured limit was \$3,224,747. The Organization monitors the creditworthiness of its financial institutions and has not experienced, nor does it anticipate, any credit losses on its cash and cash equivalents.

Hotel Contracts

The Organization has entered into agreements with several hotels to provide conference facilities and room accommodations for its conferences and meetings through March 2023. The agreements contain clauses whereby the Organization is liable for liquidated damages in the event of cancellation or lower-than-anticipated attendance. As of September 30, 2021, the maximum possible amount of liquidated damages was approximately \$368,000.

Risks and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Organization has been able to continue operations in a remote environment. At this point, the extent to which COVID-19 will continue to impact the Organization's financial condition or results of operations is uncertain and being evaluated by management and the Board.

15. Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes on income other than net unrelated business income under Section 501(c)(3) of the IRC. No provision for federal or state income taxes is required for the year ended September 30, 2021, as the Organization had no taxable net unrelated business income.

The Organization performed an evaluation of uncertainty in income taxes for the year ended September 30, 2021, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of September 30, 2021, there were years with tax returns that remained

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

15. Income Taxes (continued)

open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns; however, there are currently no examinations pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in interest or income tax expense.

16. Prior Year Summarized Comparative Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2020, from which the summarized information was derived.

17. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 30, 2022, the date the consolidated financial statements were available to be issued. Except as disclosed above in notes 3 and 8 regarding the final payment on the note receivable and forgiveness of the PPP loan, there are no subsequent events that require recognition or disclosure in the consolidated financial statements.

**INDEPENDENT AUDITORS' 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**

To the Board of Directors of the
National Council of Juvenile and Family Court Judges
and Affiliates

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 consolidated financial statements of the National Council of Juvenile and Family Court Judges and Affiliates (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Washington, DC
March 30, 2022

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of the
National Council of Juvenile and Family Court Judges
and Affiliates

Report on Compliance for Each Major Federal Program

We have audited the National Council of Juvenile and Family Court Judges and Affiliates' (collectively referred to as the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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 September 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Marcum LLP

Washington, DC
March 30, 2022

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
DEPARTMENT OF JUSTICE				
OVW Technical Assistance Initiative	16.526	-	\$ 152,363	\$ 2,676,608
<i>Pass-through from Center for Court Innovation</i>		2015-TA-AX-K023		
OVW Technical Assistance Initiative	16.526	2016-TA-AX-K013	-	47,386
<i>Pass-through from Futures Without Violence</i>				
OVW Technical Assistance Initiative	16.526	2019-TA-AX-K009	-	23,009
Total CFDA No. 16.526			<u>152,363</u>	<u>2,747,003</u>
Judicial Training on Child Maltreatment for Court Personnel Juvenile Justice Programs	16.757	-	<u>39,264</u>	<u>1,459,842</u>
Juvenile Justice and Delinquency Prevention	16.540	-	-	624,770
<i>Pass-through from State of Nevada – Division of Child and Family Services</i>		2017-JF-FX-0048		
Juvenile Justice and Delinquency Prevention	16.540	2018-JX-FX-0040	-	3,713
Total CFDA No. 16.540			<u>-</u>	<u>628,483</u>
Drug Court Discretionary Grant Program	16.585	2015-DC-BX-K001	51,872	312,604
<i>Pass-through from National Association of Drug Court Professionals</i>				
Drug Court Discretionary Grant Program	16.585	2019-DC-BX-K014	<u>2,667</u>	<u>357,425</u>
Total CFDA No. 16.585			<u>54,539</u>	<u>670,029</u>
Crime Victim Assistance/Discretionary Grants	16.582	-	<u>125,525</u>	<u>994,529</u>
<i>Pass-through from Robert F. Kennedy Children's Action Corps</i>				
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-K002	-	37,852
<i>Pass-through from PBS Learning Institute Inc.</i>				
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-K001	-	104,318
Total CFDA No. 16.812			<u>-</u>	<u>142,170</u>
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	-	<u>469,272</u>
<i>Pass-through from Institute for Intergovernmental Research</i>				
Comprehensive Opioid Abuse Site-Based Program	16.838	2017-AR-BX-K003	-	<u>16,754</u>
<i>Pass-through from the University of Oklahoma</i>		2016-MU-MU-K053		
Missing Children's Assistance	16.543	2019-MC-FX-K022	-	<u>3,016</u>
<i>Pass-through from Research Triangle Institute</i>				
Services for Trafficking Victims	16.320	2018-VT-BX-K002	-	<u>430</u>

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

(continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF JUSTICE (CONTINUED)				
<i>Pass-through from Urban Institute</i>				
Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	16.203	2017-AW-BX-K002	\$ -	\$ 998
<i>Pass-through Nebraska Administrative Office of Courts and Probation</i>				
Justice Reinvestment Initiative	16.827	2020-ZB-BX-0007	-	7,823
Total Department of Justice			<u>371,691</u>	<u>7,140,349</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Pass-through from American Bar Association</i>				
Child Abuse and Neglect Discretionary Activities	93.670	90CZ0030	-	193,399
<i>Pass-through from Futures Without Violence</i>				
Child Abuse and Neglect Discretionary Activities	93.670	90CA1850	-	47,297
Total CFDA No. 93.670			-	240,696
<i>Pass-through from Zero To Three</i>				
Maternal and Child Health Federal Consolidated Programs	93.110	5U2DMC32394-03-00	-	74,279
<i>Pass-through from Regents of the University of Minnesota</i>				
Child Welfare Research Training or Demonstration	93.648	90CT7004	-	65,324
Total Department of Health and Human Services			-	380,299
DEPARTMENT OF STATE				
<i>Pass-through The National Association of Drug Court Professionals</i>				
Counter Narcotics	19.704	SINLEC-20-CA-3123	-	5,256
Total Department of State			-	5,256
CONGRESSIONAL APPROPRIATION				
<i>Pass-through from the State Justice Institute</i>				
Military Families in Juvenile and Family Court Initiative	N/A	SJI-18-P-014	-	76,828
<i>Pass-through from the State Justice Institute</i>				
Opioids and Children in State Courts	N/A	SJI-19-P-051	-	43,541
<i>Pass-through from the State Justice Institute</i>				
Enhanced Juvenile Justice Guidelines Demonstration Sites Phases I and II	N/A	SJI-19-P-053 SJI-20-P-019	-	45,124
<i>Pass-through from the State Justice Institute</i>				
Proposal to Develop a National Bench Card Resource Center	N/A	SJI-20-P-045	-	52,100

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

(continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
CONGRESSIONAL APPROPRIATION (CONTINUED)				
<i>Pass-through from the State Justice Institute</i> Building a Replicable, Needs-Responsive Coaching Curriculum for Juvenile and Family Court Staff	N/A	SJI-20-E-055	\$ -	\$ 7,758
<i>Pass-through from the State Justice Institute</i> Domestic Violence Award Project	N/A	SJI-21-P-044	-	21,969
<i>Pass-through from the State Justice Institute</i> Judicial Service Delivery in a Post-pandemic World	N/A	SJI-21-P-027	-	53,133
<i>Pass-through from the National Association for Court Management</i> Courts in the Era of #Wetoo	N/A	SJI-20-P-023	-	20,123
<i>Pass-through from the National Center of State Courts</i> Justice in Domestic Relations	N/A	SJI-17-P-252	-	970
<i>Pass-through from the National Center of State Courts</i> Nevada Center for Juvenile Justice Innovation TA	N/A	SJI-17-P-198	-	3,380
<i>Pass-through The Council of State Government Ltd.</i> Juvenile Court Judges 50-State Landscape Analysis	N/A	SJI-21-P-032	-	27,640
Total Congressional Appropriation			-	352,566
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 371,691</u>	<u>\$ 7,878,470</u>

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Organization under programs of the federal government for the year ended September 30, 2021. The information on the SEFA 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 SEFA presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Basis of Accounting

Expenditures reported on the SEFA 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.

3. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Consolidated Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Non-compliance material to consolidated financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Type of auditors’ report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)?

_____ Yes X No

Identification of major federal programs:

Name of Federal Programs or Cluster	Assistance Listing Numbers
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560
Judicial Training on Child Maltreatment for Court Personnel Juvenile Justice Programs	16.757

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? X Yes _____ No

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021**

(continued)

SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS

None required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None required to be reported.

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

Consolidated Financial Statement Audit Findings

None required to be reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None required to be reported.