



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

**Consolidated Financial Statements and Supplemental
Information**

*For the Year Ended September 30, 2015
(With Summarized Financial Information for the Year Ended September 30, 2014)*



**and
Report Thereon**



**Reports Required in Accordance with
Office of Management and Budget Circular A-133**

For the Year Ended September 30, 2015



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

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Certified Public Accountants

INDEPENDENT AUDITOR'S 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, 2015, and the related consolidated statements of activities 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.

Auditor's 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 auditor's 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2015, 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 Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 12, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental consolidated schedule of functional expenses and schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are 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 24, 2016, 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 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 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.

Raffa, P.C.

Raffa, P.C.

Washington, DC
March 24, 2016

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2015

(With Summarized Financial Information as of September 30, 2014)

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,217,244	\$ 1,761,045
Grants and accounts receivable, net	1,546,568	1,237,477
Prepaid expenses and other assets	202,535	153,525
Investments	2,429,720	2,438,233
Property and equipment, net	48,238	73,711
Cash surrender value, life insurance policies	18,913	18,200
TOTAL ASSETS	\$ 5,463,218	\$ 5,682,191
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 618,265	\$ 468,533
Accrued payroll and employee benefits	625,764	586,009
Line of credit	200,000	200,000
Health insurance claims	115,269	114,593
Deferred revenue	1,014,190	1,392,590
TOTAL LIABILITIES	2,573,488	2,761,725
Net Assets		
Unrestricted (deficit)	(57,579)	(85,383)
Temporarily restricted	2,347,309	2,405,849
Permanently restricted	600,000	600,000
TOTAL NET ASSETS	2,889,730	2,920,466
TOTAL LIABILITIES AND NET ASSETS	\$ 5,463,218	\$ 5,682,191

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, 2015

(With Summarized Financial Information for the Year Ended September 30, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
REVENUE AND SUPPORT					
Federal and state grants and contracts	\$ 9,781,060	\$ -	\$ -	\$ 9,781,060	\$ 9,194,830
Foundation grants and contracts	1,587,803	50,000	-	1,637,803	1,788,181
Other grants and contributions	557,273	1,967	-	559,240	646,142
Registration fees	399,993	-	-	399,993	417,882
Dues and subscriptions	280,611	-	-	280,611	321,004
Investment income, net	15,577	57,970	-	73,547	215,616
Other revenue	121,674	-	-	121,674	77,273
Net assets released from restrictions:					
Satisfaction of program restrictions	168,477	(168,477)	-	-	-
TOTAL REVENUE AND SUPPORT	12,912,468	(58,540)	-	12,853,928	12,660,928
EXPENSES					
Program Services:					
Juvenile and Family Law	4,058,130	-	-	4,058,130	3,804,777
Family Violence and Domestic Relations	3,776,244	-	-	3,776,244	3,287,267
National Center for Juvenile Justice	2,317,233	-	-	2,317,233	2,363,046
Total Program Services	10,151,607	-	-	10,151,607	9,455,090
Supporting Services:					
Management and general	2,402,213	-	-	2,402,213	2,346,962
Fundraising and grant proposals	330,844	-	-	330,844	284,181
Total Supporting Services	2,733,057	-	-	2,733,057	2,631,143
TOTAL EXPENSES	12,884,664	-	-	12,884,664	12,086,233
CHANGE IN NET ASSETS	27,804	(58,540)	-	(30,736)	574,695
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(85,383)	2,405,849	600,000	2,920,466	2,345,771
NET ASSETS (DEFICIT), END OF YEAR	\$ (57,579)	\$ 2,347,309	\$ 600,000	\$ 2,889,730	\$ 2,920,466

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, 2015
(With Summarized Financial Information for the Year Ended September 30, 2014)
Increase (Decrease) in Cash and Cash Equivalents

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (30,736)	\$ 574,695
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,473	34,434
Net realized and unrealized gains on investments	(25,981)	(174,968)
Changes in assets and liabilities:		
Grants and accounts receivable	(309,091)	432,208
Prepaid expenses and other assets	(49,010)	(38,014)
Accounts payable	149,732	(258,836)
Accrued payroll and employee benefits	39,755	37,254
Health insurance claims	676	(9,127)
Deferred revenue	(378,400)	(127,056)
	<u>(577,582)</u>	<u>470,590</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(577,582)</u>	<u>470,590</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,103,689)	(1,276,605)
Proceeds from sales of investments	1,137,470	1,239,975
	<u>33,781</u>	<u>(36,630)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>33,781</u>	<u>(36,630)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on line of credit	-	(200,000)
	<u>-</u>	<u>(200,000)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(200,000)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(543,801)</u>	<u>233,960</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,761,045</u>	<u>1,527,085</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,217,244</u>	<u>\$ 1,761,045</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>\$ 6,590</u>	<u>\$ 8,505</u>

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, 2015**

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 that 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 at the University of Nevada, Reno. 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 Section 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 common 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
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

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

Grants and Accounts Receivable

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 Measurements

In accordance with the accounting standards for fair value measurements 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). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on 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. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

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

Fair Value Measurements (continued)

As of September 30, 2015, only the Organization's investments and the cash surrender value of the life insurance policies, 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 and Amortization

Property and equipment exceeding \$5,000 are capitalized and are carried at cost. Depreciation and amortization are recorded using the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives with no salvage value. Furniture and equipment have estimated useful lives of three to ten 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 and amortization accounts are relieved of the applicable amounts and any gain or loss is credited or charged to income.

All property purchased with federal funds may, in accordance with grantor agreements, be returned to the federal government. However, as day-to-day control lies with the grantee, such assets have been included in property and equipment in the Organization's consolidated statement of financial position.

Net Assets

The Organization's net assets are classified as follows:

- Unrestricted net assets represent funds that are available for support of the Organization's operations.
- Temporarily restricted net assets represent amounts that are subject to donor-imposed restrictions to be used for a particular purpose or within a specific time period.
- Permanently restricted net assets represent amounts that include donor-imposed restrictions that stipulate that the resources be maintained in perpetuity and that only the investment earnings on such amounts be used in the manner specified by the donor.

Support and Revenue Recognition

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 temporarily restricted revenue and support. Conditional promises to give are not included as revenue and support until such time as the conditions are substantially met. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

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

Support and Revenue Recognition (continued)

are reclassified to unrestricted net assets and are reported in the accompanying consolidated statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. Revenue recognized on 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 grants and contracts with U.S. federal government agencies and other entities in exchange for services. Revenue from these grants and contracts is recognized as costs are incurred on the basis of direct costs plus allowable indirect expenses. Revenue recognized on grants and contracts for which payments have not been received is reflected as grants and accounts receivable in the accompanying consolidated statement of financial position. Funds received under grants and contracts, but not yet expended, are reflected as deferred revenue in the accompanying consolidated statement of financial position.

Registration fees and the related costs for conferences and meetings are recognized in the year in which the conferences or meetings are held. Accordingly, registration and exhibit fees received in advance of the conferences or meetings are recorded as deferred revenue, 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 as revenue in the period to which the dues or subscriptions relate. Accordingly, dues or subscriptions paid by members in advance of the membership period are reported as deferred revenue in the accompanying consolidated statement of financial position.

Donated Services

In-kind contributions are recognized as revenue and support and expenses in the accompanying consolidated statement of activities at their estimated fair value, as provided by the donor at the date of donation.

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 activities. Accordingly, costs have been allocated based upon the functions they directly benefit or upon management's estimates of the proportion of these costs applicable to each function.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Continued

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

2. Cash and Cash Equivalents

As of September 30, 2015, cash and cash equivalents included \$432,156 of funds (including cumulative income) that have been restricted for the purpose of technology upgrades, judicial scholarships and building improvements.

3. Grants and Accounts Receivable

Grants and accounts receivable consisted of the following as of September 30, 2015:

Federal grants receivable	\$ 1,024,673
Other grants receivable	99,959
Contracts receivable	58,037
Other receivables, including stop-loss receivable	375,055
Employee advances	<u>5,632</u>
Total Grants and Accounts Receivable	1,563,356
Allowance for uncollectible accounts	<u>(16,788)</u>
Total Grants and Accounts Receivable, net	<u>\$ 1,546,568</u>

All amounts are due within one year.

4. Investments

Investments are stated at fair value and consisted of the following as of September 30, 2015:

Common stocks	\$ 1,297,840
Fixed income obligations	821,218
Mutual funds	215,228
Cash and cash equivalents	<u>95,434</u>
Total	<u>\$ 2,429,720</u>

A summary of investment income is as follows for the year ended September 30, 2015:

Interest and dividends, net of investment fees of \$28,687	\$ 45,089
Realized gains, net	59,179
Unrealized losses, net	<u>(33,911)</u>
Total	<u>\$ 70,357</u>

Included in investment income in the accompanying consolidated statement of activities is \$2,477 of interest income earned on cash and cash equivalents and \$713 of unrealized gain related to the cash surrender value of its insurance policies.

Continued

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

5. Fair Value Measurements

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of September 30, 2015:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks:				
Utilities	\$ 311,371	\$ 311,371	\$ -	\$ -
Technology	218,781	218,781	-	-
Consumer non-durables	205,253	205,253	-	-
Energy	74,764	74,764	-	-
Healthcare	72,699	72,699	-	-
Industrials	72,366	72,366	-	-
Financials	71,797	71,797	-	-
Consumer services	61,519	61,519	-	-
Emerging markets	58,676	58,676	-	-
Insurance	54,850	54,850	-	-
Other	48,804	48,804	-	-
International energy	28,488	28,488	-	-
Consumer discretionary	11,399	11,399	-	-
Transportation	<u>7,073</u>	<u>7,073</u>	<u>-</u>	<u>-</u>
Total Common Stocks	<u>1,297,840</u>	<u>1,297,840</u>	<u>-</u>	<u>-</u>
Fixed income obligations:				
Corporate bonds - domestic	299,578	-	299,578	-
Government agency issues	239,155	239,155	-	-
Government obligations	148,469	148,469	-	-
Corporate bonds - foreign	76,949	-	76,949	-
Mortgage-backed securities	31,843	-	31,843	-
Municipal bonds	<u>25,224</u>	<u>-</u>	<u>25,224</u>	<u>-</u>
Total Fixed Income Obligations	<u>821,218</u>	<u>387,624</u>	<u>433,594</u>	<u>-</u>
Mutual funds:				
Growth and income	111,727	111,727	-	-
International	77,984	77,984	-	-
Dividend growth	<u>25,517</u>	<u>25,517</u>	<u>-</u>	<u>-</u>
Total Mutual Funds	<u>215,228</u>	<u>215,228</u>	<u>-</u>	<u>-</u>

Continued

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

5. Fair Value Measurements (continued)

<i>(Continued)</i>	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 95,434	\$ 95,434	\$ -	\$ -
Total Investments	<u>2,429,720</u>	<u>1,996,126</u>	<u>433,594</u>	<u>-</u>
Cash surrender value of life insurance policies	<u>18,913</u>	<u>-</u>	<u>18,913</u>	<u>-</u>
Total Assets	<u>\$ 2,448,633</u>	<u>\$ 1,996,126</u>	<u>\$ 452,507</u>	<u>\$ -</u>

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

Government obligations and agency issues, mutual funds and common stocks – Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds, municipal bonds and mortgage-backed securities – 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.

Cash surrender value of life insurance policies – Cash surrender value of the life insurance policies is based upon the reserve value, which is the face amount of the contracts discounted at a specific rate of interest, according to the insured's life expectancy.

6. Property and Equipment and Accumulated Depreciation and Amortization

The Organization held the following property and equipment as of September 30, 2015:

Furniture, fixtures and equipment	\$ 892,320
Less: Accumulated depreciation and amortization	<u>(844,082)</u>
Property and Equipment, Net	<u>\$ 48,238</u>

Depreciation and amortization expense totaled \$25,473 for the year ended September 30, 2015.

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**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

7. Line of Credit

The Organization has an unsecured \$400,000 line of credit from a financial institution. The line of credit bears interest at the bank's prime rate (3.5% as of September 30, 2015). Borrowings under the line of credit are due upon demand and the line is subject to automatic annual renewal. As of September 30, 2015, there was \$200,000 outstanding on this line of credit. Interest expense incurred under the line of credit was \$6,590 for the year ended September 30, 2015.

8. Commitments

Leases

The Organization leases operating facilities under several leases, the last of which expires in December 2016. 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. Certain leases continue on a month-to-month basis after 2016 which the Organization expects to pay.

In December 2015, the Organization entered into a new ten-year lease agreement for its office space in Reno, Nevada which is expected to begin in March 2016. Monthly rent begins at \$26,458, plus a prorated share of basic operating costs. Beginning with the sixth year of the lease the Organization has the ongoing right to terminate the lease with thirty days notice. The lease also contains an escalation clause for increase in annual rent. The future payments under the new lease are included in the table below.

Future minimum lease payments under these lease agreements are as follows:

<u>For the Year Ending September 30,</u>	
2016	\$ 681,879
2017	407,829
2018	351,315
2019	358,430
2020	354,381
Thereafter	<u>2,043,161</u>
Total	<u>\$ 4,196,995</u>

Total rent expense for these operating leases was \$574,822 for the year ended September 30, 2015.

Continued

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

9. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted for the following purposes as of September 30, 2015:

Research and Endowment – includes endowment fund earnings	\$ 1,709,122
John Shaw Field Foundation fund	430,507
Other – includes National Juvenile Court Foundation	<u>207,680</u>
Total	<u>\$ 2,347,309</u>

10. 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment 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 permanently restricted net assets is classified as temporarily restricted net assets 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.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policy of the Organization.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

10. Endowment (continued)

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 operate that endorse the "Global Sullivan Principles".

The Organization has a policy for distributing 3% to 5% each year (depending on the project) of the endowment fund's average fair value over the prior 12 months through the calendar 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. The Board of Directors appropriated \$78,221 of accumulated endowment earnings for expenditure during the year ended September 30, 2015.

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 30, 2015.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

10. Endowment (continued)

Endowment net asset composition by fund type was as follows as of September 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,649,220	\$ 600,000	\$ 2,249,220
Total Endowment Funds	\$ -	\$ 1,649,220	\$ 600,000	\$ 2,249,220

Changes in endowment net assets were as follows for the year ended September 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 1,669,471	\$ 600,000	\$ 2,269,471
Investment return:				
Investment income, net of fees	-	37,785	-	37,785
Net appreciation (realized and unrealized)	-	20,185	-	20,185
Total Investment return, net	-	57,970	-	57,970
Appropriations	-	(78,221)	-	(78,221)
Endowment Net Assets, End of Year	\$ -	\$ 1,649,220	\$ 600,000	\$ 2,249,220

Permanently Restricted Net Assets

The portion of perpetual endowment funds that are required to be retained permanently, either by explicit donor stipulation or by UPMIFA, are as follows:

Research	\$ <u>600,000</u>
Total Endowment Funds Classified as Permanently Restricted Net Assets	\$ <u>600,000</u>

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

10. Endowment (continued)

Temporarily Restricted Net Assets

The portion of perpetual endowment funds subject to a time restriction under UPMIFA as of September 30, 2015, were as follows:

With purpose restrictions	\$ 1,649,220
Without purpose restrictions	<u>-</u>
Total Endowment Funds Classified as Temporarily Restricted Net Assets	<u>\$ 1,649,220</u>

11. Self-Insured Health Plan

The Organization is self-insured for medical, dental, and vision coverage.

Under the terms of the health plan, the Organization pays up to a maximum of \$50,000 per individual per year. The health plan maintains stop-loss coverage with an insurance company to cover costs in excess of \$50,000 per individual.

The Organization currently pays 100% of the premiums for its employees and their dependents. Former employees are eligible to continue participation in the plan in accordance with current federal legislation.

For the year ended September 30, 2015, total costs incurred were \$1,807,887. Of these claims, the Organization ultimately paid \$910,208. The remaining \$897,679 exceeded the previously described stop-loss coverage and was paid by the insurance company. Claims incurred, but not paid or reported, were estimated to be \$115,269 as of September 30, 2015, and are recorded as health insurance claims in the accompanying consolidated statement of financial position.

12. Retirement Plan

The Organization sponsors a tax-sheltered annuity plan (the Plan) in accordance with Section 403(b) of the Internal Revenue Code, 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 7%. Under the terms of the Plan, all contributions are immediately 100% vested with the employee. The Organization contributed \$290,887 to the Plan for the year ended September 30, 2015.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

13. Concentrations and Contingencies

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, 2015, the Organization had approximately \$1,217,244 composed of demand deposits and savings and money market accounts, which exceeded the maximum limit insured by the FDIC by approximately \$811,948. The Organization monitors the creditworthiness of these institutions and has not experienced 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 July 2016. 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, 2015, the maximum possible amount of liquidated damages was approximately \$550,000.

Concentration of Revenue and Support

The Organization receives a substantial portion of its revenue and support (approximately 76%) from federal grantors (both direct and pass-through awards) as follows:

Department of Justice	\$ 8,522,745
Department of Health and Human Services	<u>1,215,181</u>
Total	<u>\$ 9,737,926</u>

Office of Management and Budget Circular A-133 Audit

The Organization has instructed its independent auditors to audit its applicable federal programs for the year ended September 30, 2015, in compliance with Circular A-133 issued by the U.S. Office of Management and Budget (OMB). Until the audit is reviewed and accepted by the contracting or granting agencies, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management believes that any matters arising from the reviews by the federal or pass-through agencies of the independent auditor's reports for fiscal year 2015 will not have a material effect on the Organization's financial position as of September 30, 2015, or its results of operations for the year then ended.

Provisional Indirect Cost Rates

Billings under cost-reimbursable government contracts and grants are calculated using provisional rates that permit recovery of indirect costs. These rates are subject to audit by the Department of Justice (DOJ), the Organization's cognizant agency. The audit results in the negotiation and determination of the final indirect cost rates, which may create a liability for indirect cost recovery for amounts billed in excess of the actual rates, or may allow for

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

13. Concentrations and Contingencies (continued)

Provisional Indirect Cost Rates (continued)

additional billings for unbilled indirect costs. The DOJ audits costs related to U.S. government contracts and grants in accordance with OMB Circular A-122 and/or Title 2, *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). The DOJ has yet to audit the costs and indirect cost rates for the years ended September 30, 2015 and 2014. Management believes that cost disallowances, if any, arising from the DOJ's audit for the year ended September 30, 2015, will not have a material effect on the Organization's financial position as of September 30, 2015, or the results of operations for the year then ended.

14. Related Parties

The Organization's principal office is located on the campus of the University of Nevada, Reno (the University). The University provides office space for the Organization's operations at no charge to the Organization, and the Organization provides certain services to the University. Prior contributions to the Organization were provided to the University to defray the building's construction costs. Therefore, no amount for the estimated cost of the office space has been reflected in the accompanying consolidated financial statements.

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 Internal Revenue Code. No provision for federal or state income taxes is required for the year ended September 30, 2015, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions for the year ended September 30, 2015, 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, 2015, the statute of limitations for tax years ended September 30, 2012 through September 30, 2014 remain open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

16. Prior Year Summarized Financial 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2014, 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 24, 2016, the date the consolidated financial statements were available to be issued. Except for what was disclosed in Note 8 related to the Organization's new office lease, there were no subsequent events that require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

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

**CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2015**

(With Summarized Financial Information for the Year Ended September 30, 2014)

	Program Services				Supporting Services			2015 Total	2014 Total
	Juvenile and Family Law	Family Violence and Domestic Relations	National Center for Juvenile Justice	Total Program Services	Management and General	Fundraising and Grant Proposals	Total Supporting Services		
Personnel	\$ 2,190,229	\$ 1,983,663	\$ 1,695,700	\$ 5,869,592	\$ 1,642,699	\$ 269,143	\$ 1,911,842	\$ 7,781,434	\$ 7,306,714
Contractual	980,742	469,784	197,122	1,647,648	131,977	2,078	134,055	1,781,703	1,760,797
Supplies and operating	315,233	394,052	364,910	1,074,195	379,213	9,401	388,614	1,462,809	1,409,071
Travel	415,248	506,051	44,167	965,466	100,833	5,951	106,784	1,072,250	929,446
Subrecipients	121,372	379,637	-	501,009	-	-	-	501,009	410,207
Equipment lease and maintenance	22,373	31,022	7,949	61,344	20,761	1,996	22,757	84,101	115,917
Other Council activities	7,759	7,220	4,430	19,409	109,134	40,752	149,886	169,295	111,142
Depreciation and amortization	5,174	4,815	2,955	12,944	11,006	1,523	12,529	25,473	34,434
Interest expense	-	-	-	-	6,590	-	6,590	6,590	8,505
	<u>\$ 4,058,130</u>	<u>\$ 3,776,244</u>	<u>\$ 2,317,233</u>	<u>\$ 10,151,607</u>	<u>\$ 2,402,213</u>	<u>\$ 330,844</u>	<u>\$ 2,733,057</u>	<u>\$ 12,884,664</u>	<u>\$ 12,086,233</u>



**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**

INDEPENDENT AUDITOR'S 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, 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, 2015, and the related consolidated statements of activities 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 24, 2016.

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) to determine the 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 determination of consolidated financial statement amounts. 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.

Raffa, P.C.

Raffa, P.C.

Washington, DC
March 24, 2016



Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

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 Circular A-133 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, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

Continued

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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Raffa, P.C.

Raffa, P.C.

Washington, DC
March 24, 2016

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal/Pass-through Grant Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF JUSTICE			
<u>SEX OFFENDER MANAGEMENT</u>			
<u>DISCRETIONARY GRANT PROGRAM</u>			
<i>Pass-through from National Judicial College</i>			
Training, Technical Assistance, and			
Resources to Judges and Other			
Criminal Justice Professionals			
	2011-WP-BX-K001	16.203	\$ <u>1,630</u>
<u>JUVENILE ACCOUNTABILITY</u>			
<u>BLOCK GRANTS</u>			
Evaluation of Judicially Led Responses to			
Eliminate School Pathways to the			
Juvenile Justice System			
	2012-JF-FX-0044	16.523	<u>62,796</u>
<u>JUVENILE JUSTICE AND</u>			
<u>DELINQUENCY PREVENTION ALLOCATION</u>			
<u>TO STATES</u>			
National Juvenile Court			
Data Archive			
	2012-JR-FX-0002	16.540	688,655
<i>Pass-through from Westat</i>			
Juvenile Probation Census			
	2011-JR-FX-K001	16.540	<u>12,471</u>
Total CFDA No. 16.540			<u>701,126</u>
<u>OVW TECHNICAL ASSISTANCE</u>			
<u>INITIATIVE</u>			
Comprehensive Training and Technical			
Assistance Provider to Judges on			
Domestic Violence and Elder Abuse			
through the National Judicial Institute			
on Domestic Violence			
	2011-TA-AX-K116	16.526	1,017,438
Technical Assistance to Technical			
Assistance Providers			
	2011-TA-AX-K040	16.526	766,517
The Family Court Enhancement Project			
	2014-TA-AX-K040	16.526	254,993
Comprehensive Technical Assistance			
Provider to Family Court			
Demonstration Initiative			
	2012-TA-AX-K042	16.526	217,972

See accompanying notes to this schedule.

Continued

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal/Pass-through Grant Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF JUSTICE (continued)			
<u>OVW TECHNICAL ASSISTANCE INITIATIVE (continued)</u>			
Comprehensive Training and Technical Assistance Provider to Judges on Domestic Violence	2014-TA-AX-K038	16.526	\$ 206,539
CPO Guide Implementation	2013-TA-AX-K022	16.526	151,243
Enhancing Judicial Skills in Elder Abuse Cases	2013-TA-AX-K031	16.526	127,670
Implementation of National Action Plan On Firearms and Domestic Violence	2013-TA-AX-K037	16.526	111,755
Supervised Visitation and Safe Exchange: Shifting the Paradigm	2011-TA-AX-K068	16.526	109,180
A Judicial Guide to Child Safety in Custody Cases	2011-TA-AX-K001	16.526	11,274
Supervised Visitation Program: Sustaining the Interactive Tool	2008-TA-AX-K064	16.526	<u>8,852</u>
Total CFDA No. 16.526			<u>2,983,433</u>
<u>SUPERVISED VISITATION, SAFE HAVENS FOR CHILDREN</u>			
Looking Back, Looking Forward: The Supervised Visitation Program Ten Years Later	2012-CW-AX-K029	16.527	<u>107,265</u>
<u>PART E – DEVELOPING, TESTING AND DEMONSTRATING PROMISING NEW PROGRAMS</u>			
National Juvenile Justice Data Analysis Program	2013-MU-FX-0005	16.541	<u>531,712</u>
<u>DRUG COURT DISCRETIONARY GRANT PROGRAM</u>			
Enhancing Juvenile Drug Court Operations through Training and Technical Assistance	2013-DC-BX-K001	16.585	985,426

See accompanying notes to this schedule.

Continued

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal/Pass-through Grant Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF JUSTICE (continued)			
<u>DRUG COURT DISCRETIONARY GRANT PROGRAM (continued)</u>			
Improving Juvenile Drug Courts Through the Implementation of Evidence-Based Practices: A Training and Technical Assistance Project	2011-DC-BX-K001	16.585	\$ 548,794
OJJDP Tribal Healing to Wellness Court Responses to Underage Drinking Initiative	2014-MU-MU-K006	16.585	<u>32,896</u>
Total CFDA No. 16.585			<u>1,567,116</u>
<u>SPECIAL DATA COLLECTIONS AND STATISTICAL STUDIES</u>			
<i>Pass-through from Westat</i> Survey of Juveniles Charged as Adults	2010-BJ-CX-K053	16.734	<u>80,618</u>
<u>JUVENILE MENTORING PROGRAM</u>			
<i>Pass-through from American Institute for Research</i> State Juvenile Justice Formula and Block Grants Training and Technical Assistance	2011-MU-FX-K009	16.726	<u>11,577</u>
<u>MISSING CHILDREN'S ASSISTANCE</u>			
Training and Technical Assistance to Implement Broadly Competent Court Systems Change Project	2012-MU-MU-K001	16.543	<u>1,990,295</u>
<u>CRIME VICTIM ASSISTANCE/ DISCRETIONARY GRANTS</u>			
Linking Systems of Care for Children and Youth Technical Assistance Project	2014-VF-GX-K014	16.582	<u>161,632</u>

See accompanying notes to this schedule.

Continued

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal/Pass-through Grant Number	CFDA Number	Federal Expenditures
DEPARTMENT OF JUSTICE (continued)			
<u>REDUCTION AND PREVENTION OF CHILDREN'S EXPOSURE TO VIOLENCE</u>			
<i>Pass-through from Future Without Violence</i>			
Defending Childhood Technical Assistance	2011-MU-MU-K011	16.730	\$ <u>41,253</u>
<u>JUVENILE JUSTICE EDUCATION COLLABORATION ASSISTANCE</u>			
OJJDP FY 2014 School Justice Partnership Program: Keeping Kids in School and Out of Court - Category 2: School Justice Partnership Program National Training And Technical Assistance	2014-JZ-FX-K006	16.829	<u>282,292</u>
Total Department of Justice			<u>8,522,745</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>FAMILY VIOLENCE PREVENTION AND SERVICES/ DISCRETIONARY</u>			
Family Violence Prevention and Services	90EV0415/01	93.592	<u>1,000,782</u>
<u>CHILD ABUSE AND NEGLECT DISCRETIONARY ACTIVITIES</u>			
<i>Pass-through from ZERO TO THREE: National Center for Infants, Toddlers and Families</i>			
Quality Improvement for Research-Based Infant-Toddler Court Teams	90CA1821	93.670	49,976
<i>Pass-through from American Bar Association</i>			
ABA Collaborative Planning	90-CZ-0025	93.670	<u>164,423</u>
Total CFDA No. 93.670			<u>214,399</u>
Total Department of Health and Human Services			<u>1,215,181</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 9,737,926</u>

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

1. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. Consequently, amounts are recorded as expenditures when the obligations are incurred.

2. Reconciliation of Schedule of Expenditures of Federal Awards to the Consolidated Financial Statements

Federal and state grants and contracts in the accompanying consolidated statement of activities are divided between the following categories:

Federal programs:	
Cost-reimbursable agreements and grants	\$ 9,737,926
State grants and contracts not subject to OMB Circular A-133	<u>43,134</u>
Federal and State Grants and Contracts per the Consolidated Statement of Activities	<u>\$ 9,781,060</u>

3. Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the Organization provided federal awards to subrecipients as follows:

Subrecipients	Federal Grant Number	Amount Provided to Subrecipients
Futures Without Violence	90EV0415/01	\$ 49,744
Policy Research Associates, Inc.	2011-DC-BX-K001	43,016
Policy Research Associates, Inc.	2013-DC-BX-K001	6,335
National Association of State Boards of Education	2014-JZ-FX-K006	22,963
International Association of Chiefs of Education	2014-JZ-FX-K006	20,854
Policy Research Associates, Inc.	2014-JZ-FX-K006	7,245
Center for Community Change	2012-MU-MU-K001	20,960
Futures Without Violence	2014-TA-AX-K038	140,943
Futures Without Violence	2013-TA-AX-K031	37,912

Continued

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

3. Subrecipients (continued)

<u>Subrecipients</u>	<u>Federal Grant Number</u>	<u>Amount Provided to Subrecipients</u>
Fund for the City of New York	2013-TA-AX-K022	\$ 3,760
Domestic Abuse Intervention Programs	2012-TA-AX-K042	27,065
Fund for the City of New York	2012-TA-AX-K042	34,197
Domestic Abuse Intervention Programs	2012-TA-AX-K042	37,329
Fund for the City of New York	2012-MU-MU-K001	<u>48,686</u>
Total		<u>\$ 501,009</u>

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2015**

A. SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements

Type of auditor's report issued: Unmodified Qualified
 Adverse Disclaimer

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to consolidated financial statements noted? Yes No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified Qualified
 Adverse Disclaimer

Internal control over major program(s):

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes No

Identification of Major Program(s):

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.540	Juvenile Justice and Delinquency Prevention Allocation to States
16.585	Drug Court Discretionary Grant Program
16.829	Juvenile Justice Education Collaboration Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as a low-risk auditee? Yes No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2015**

B. FINDINGS – CONSOLIDATED FINANCIAL STATEMENT AUDIT

None required to be reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None required to be reported.